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CEREAL
POLICIES
in the
UNITED
KINGDOM
1870-1967



FOREWORD

This publication examines changes in U.K. cereal policy over the years. A short review of developments from 1870 to 1940 is included. Major attention, however, is devoted to the more recent 30 years.

Brief reviews of policy developments in the 60 years from 1870 to 1930, the depression years of the 1930's, the important years during World War II, and the postwar period help to place the recent policy changes in perspective. The recent policy changes are also considered in the light of some of the major trends and developments in the U.K. cereals economy, for example, the sharply increasing cereal yields, cereal imports that only recently have been surpassing their pre-World War II levels, and expenditures for cereal deficiency payments as a major portion of the total Exchequer cost of agricultural support. These trends and developments, along with the evolution of government policy, led to the proposal, negotiation, and introduction of minimum import prices and standard quantities in 1964.

The publication discusses the U.K. Cereals Agreement signed in April 1964 with the country's major cereal suppliers. It identifies the more important features of the Agreement and points up some of the economic relations and history relevant to its various aspects. The 1967 Kennedy Round negotiations did not change the U.K. policies and programs set in motion by the Agreement.

Since 1964, the United Kingdom has again applied for membership in the European Economic Community. The 1964 Agreement, along with other major U.K. farm policies, will undoubtedly be central to any discussions of U.K. membership.

Generally, only summary-type data are used in the text. Detailed statistical tables are included in the Appendix to facilitate examination of the economic developments in more detail.

The material for this publication was accumulated by the author when he was involved in the negotiations of the U.K. Cereals Agreement and the cereal negotiations of the Kennedy Round.

Several people contributed substantially to the preparation of this publication. The U.K. Ministry of Agriculture, Fisheries, and Food was of particular assistance, as was the U.S. Agricultural Attaché in London and his staff.

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CEREAL POLICIES in the UNITED KINGDOM 1870-1967

by LYLE P. SCHERTZ*

SUMMARY

The United Kingdom was the largest U.S. commercial market for cereals for many years. In recent years it has been second only to Japan. While the U.S. share of U.K. wheat imports has varied, with a sharp decline in the 1960's to less than 10 percent, the United States has been the largest supplier of coarse grains. This share in recent years has been over 50 percent.

Because of the importance of the U.K. market to U.S. cereal exports, changes in U.K. cereal policy are of especial interest to the United States. The main focus of this paper, therefore, is U.K. agricultural policies, with particular emphasis on their relation to U.K. cereal imports.

Many adjustments and modifications have been made in U.K. cereal policy over the years. However, since World War II, the primary focus has been increased self-sufficiency. World War II brought about profound changes in U.K. cereal policy. For many years previous, the policy had favored imports of cereals and discouraged domestic production. In fact, in 1931, British wheat acreage was but 36 percent of the 1870 wheat acreage. Barley acreage had also declined, but by a smaller amount. Oats acreage increased through the war period but then declined by 1931 to less than the 1870 acreage.

But with the war emergency, farmers were encouraged to increase production sharply. One of the most dramatic changes in the agricultural sector during the war was the increase in cereal acreage by over 80 percent in the 4 years 1940 through 1943.

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The changes in policy during the war period continue to have a profound effect on U.K. cereal production and imports.

The drive for increased self-sufficiency dominated thinking in the postwar years. It was in this environment of heightened emphasis on self-sufficiency that planning took place for the basic legislation for the farm policy of the 1950's, the Agriculture Act of 1947. The Act provided for guaranteed prices and set forth the principle of farm production in line with the national interest.

Wartime controls continued into the 1950's. With their relaxation, a deficiency-payment system was introduced. This system essentially provides for producer payments equal to the amount market prices fall short of announced standard prices.

With the backdrop of the war-induced drive for increased self-sufficiency, the general principles of U.K. farm policy of the 1950's and into the 1960's were:

1. Encouragement of increased farm production through:
 - a) Guaranteed prices implemented with deficiency payments available for all quantities produced.
 - b) Production grants for practices which would increase farm productivity and efficiency.
2. Free importation of farm products at prices prevailing in world markets.

These principles of agricultural policy were dictated by the goals of U.K. society, which included:

1. Minimization of dependence on foreign food supplies.
2. Protection of farm income.
3. Maintenance of a competitive position for British manufactured products.

Although the drive for increased self-sufficiency induced increased cereal production, it also had a positive effect on livestock production and, therefore, on consumption of cereals. Returns for livestock in relation to feed prices have been very favorable. The effect of these price incentives shows up not only in the demand for cereals but in the U.K. self-sufficiency of livestock products. Previous to the war, the United Kingdom imported two-thirds of the milk products it consumed; in recent years, just over 50 percent. One-third of prewar egg consumption was imported; now, less than 3 percent. Over half of prewar meat consumption was imported; today, less than one-third.

Under these policies, government expenditures for farm programs increased sharply and averaged over \$800 million per year in the 1962-63/1964-65 period. They had reached almost \$1 billion in 1961-62. About two-thirds of these expenditures was directed to price-guarantee programs. In relation to farm income, the government payments were very large. For example, in 1963-

64 and 1964–65, deficiency payments averaged 37 percent of estimated net farm income and production grants, 24 percent. Thus, together, they were equivalent to over 60 percent of net farm income.

Under the pressure of mounting government costs for farm programs, two major changes in U.K. cereal programs were made in 1964. They were: (1) The placing into effect of “standard quantities” for grain whereby deficiency payments to U.K. farmers for grain production would be limited, and (2) the inauguration of minimum prices for U.K. cereal imports, with a system of discriminatory variable levies to buttress the minimum import prices.

Partially at least because of GATT tariff arrangements for free imports of most U.K. cereal imports, these steps were taken after negotiation of the 1964 Cereals Agreement with the major cereal exporters—Argentina, Australia, Canada, and the United States. In formalizing the Agreement with the exporters, the U.K. Government subscribed to an objective “. . . of maintaining a fair and reasonable balance between home production and imports. . . .” Also, the U.K. Government agreed to consult with exporting countries if total imports of cereals dropped below the average of the 3 years ending June 30, 1964 (9.1 million tons). And if this decline takes place because U.K. changes in domestic policies and minimum import prices “have failed to be effective for the purpose of maintaining that volume of imports . . . ,” the United Kingdom “shall take effective corrective action at the earliest practicable time to remedy the situation.”

There is little evidence, however, to suggest that the United Kingdom has substantially changed its policy of increasing self-sufficiency. The standard quantity mechanism limits the liability of the U.K. Government to make deficiency payments, but its producer returns are not severely reduced when production exceeds selected standard quantities. Further, grain imports continue to fall below the 3-year average of 9.1 million long tons in the base years 1961–62/1963–64. In 1964–65, they were only 7.9 million, in 1965–66, 8.8 million, and in 1966–67 estimates are 8.2 million, even though U.K. exports increased substantially. In spite of these shortfalls, the standard quantities for both wheat and barley have been increased. Further, in September 1965, the Labor Government issued a White Paper calling for increased self-sufficiency in agricultural products.

Thus, British cereal policy still appears to be focused on increased self-sufficiency. Although many adjustments and modifications have been made in the policy since the war, they do not suggest a change in the primary goal.

THE SIXTY YEARS 1870-1930

From the repeal of the Corn Laws in 1846 until the desperate years of the depression of the 1930's, British agricultural policy closely followed the laissez-faire system of non-governmental intervention.¹ Agricultural imports entered duty free. Domestic prices were permitted to adjust to levels corresponding to the prices of available imports. British agriculture prospered until the mid-1870's. But the decade of the 1870's was a significant turning point. Cereal supplies from North America became available in larger quantities. Prices in international markets fell sharply. Wheat prices declined by over 50 percent in less than 20 years, and prices for barley and oats dropped by more than one-third.

Prices stabilized in the 1890's and remained unchanged until the First World War, when they advanced sharply. After the war, they again dropped and were depressed even further during the economic depression of the 1930's.

British agriculture was responsive to the price changes. With the sharp drop in the 1870's, intensive use of land contracted and permanent pasture acreage increased.

Stable prices at the turn of the century mitigated pressures

¹The discussion in this section depends heavily on Gavin McCrone, *The Economics of Subsidising Agriculture*, London, George Allen & Ltd., 1961, pp. 30-39.

Dicksee portrayed a British grain field of the early 1900's in "The Reapers."



for reduced crop acreages, and during World War I, the campaign of ploughing up grassland connected with efforts to increase cereal production brought forth a temporary reversal of the downward trend in cereal acreages.

But, in general, conditions in the 60 years beginning with 1870 led to decreased emphasis on crops. Cereal acreage dropped sharply until World War I, increased slightly, and then dropped again. By 1931, British wheat acreage totaled only 36 percent of the 1870 wheat acreage. Barley acreage had also declined, but by a smaller amount. Oats acreage increased through the war period but then declined, by 1931, to less than that of 1870.

The 60-year period was ended by a decade in which the United Kingdom imported 8 million to 10 million long tons of cereal each year. These imports supplemented the United Kingdom's domestic production level of approximately 6 million long tons. Wheat dominated imports. The United States was the largest supplier of grains. U.S. grain exports to the United Kingdom ranged from 1.1 million to 1.9 million tons of wheat, up to 0.5 million tons of wheat flour, and 0.3 million to 1.2 million tons of coarse grains.

TABLE 1.—UNITED KINGDOM: Range¹ of annual cereal imports, in quantities and market shares, 1921 through 1929

Item	Wheat	Wheat flour	Coarse grains	All cereals
	<i>Million</i>	<i>Million</i>	<i>Million</i>	<i>Million</i>
	<i>long tons</i>	<i>long tons</i>	<i>long tons</i>	<i>long tons</i>
Quantities by sources:				
All countries -----	4.0 to 5.6	0.6 to 1.1	2.6 to 3.5	8.1 to 10.1
United States -----	1.1 to 1.9	.1 to .5	.3 to 1.2	1.7 to 3.4
Shares by sources:	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>
United States -----	20 to 45	21 to 50	10 to 40	19 to 39
Canada -----	18 to 40	37 to 55	5 to 21	20 to 30
Australia -----	5 to 25	9 to 16	0 to 2	4 to 14
Argentina -----	5 to 41	1 to 9	25 to 59	14 to 40

¹Highest and lowest annual figure for each category for the 9-year period. Appendix tables.

THE DEPRESSION YEARS—THE 1930'S

Deficiency Payments and Standard Quantities

Two significant features of present-day British cereal policy—deficiency payments and standard quantities—had their origin in the 1930's. Apart from sugar, which was already protected before World War I, the Wheat Act of 1932 was the first significant departure in 80 years from a policy of laissez-faire for any agricultural commodity. This act provided for a standard price

of 10 shillings per cwt.² (\$0.75 per bu.) for millable wheat. To the extent that market prices dropped below the 10s. level, "deficiency payments" to make up the difference were paid farmers. These payments were financed at least partially by levies on home-milled and imported flour. But the deficiency payment was also affected by the level of wheat production in relation to a "maximum quantity" (presumably desired production), which was at first 1.35 million long tons and later increased—in the Agriculture Act of 1937—to 1.8 million long tons. Per unit deficiency payments decreased according to the extent to which available supplies exceeded the "maximum quantity."

The 1932 legislation had not contained any provisions for deficiency payments for oats or barley. But the Agriculture Act of 1937, in response to a sharp acreage shift from barley and oats to wheat that resulted at least partially from the 1932 legislation, provided for acreage payments for both oats and barley. These were computed on the basis of an oats standard price of 8s. per cwt. (\$0.32 per bu.) for each crop. In terms of barley, for every 1d. per cwt. (\$0.005 per bu.) by which the grower's price was less than 7s. 8d. per cwt. (\$0.31 per bu.), the individual farmer received 6d. (\$0.07) per acre, with a maximum of £1 (\$2.80) per acre. Again, the standard-quantity concept was employed in that the acreage payments were reduced when acreage qualifying under the program exceeded 110 percent of the 1937 acreage. These provisions were modified further in 1939, but the concepts of deficiency payments and of standard quantities were retained.

Tariff Policy Change

Just as a measure of control entered the production picture in this decade, so also a major modification of the policy of permitting all grain imports to enter the United Kingdom duty free took place in the 1930's. Desire for protection from the severe economic depression of the period, together with efforts to promote trade among Commonwealth members, gave rise to a system of Commonwealth preferences. The United Kingdom granted preferences to grain from Commonwealth countries in return for their preferential treatment of U.K. industrial products.

In 1932, two legislative acts, the Import Duties and the Ottawa Agreements Acts, were passed.

²Cwt. (hundredweight) throughout manuscript refers to British unit of measurement, 112 lbs. Prices in U.S. dollars are calculated on the basis of £1=\$2.80. Since preparation of this study, the United Kingdom has devalued the pound to an exchange rate of £1=\$2.40. Thus, the dollar values expressed in this study are about 14 percent higher than they would be if based on the new exchange rate.

The first provided for 10-percent ad valorem duties on imports, with important exceptions, from non-Commonwealth countries. Exceptions included raw materials and important food products. Both maize and wheat were exempt from the 10-percent ad valorem, as were meat and livestock. Maize was exempted only after considerable pressure from producers and millers in Northern Ireland.³ Maize was duty free, even though it competed with British barley and oats. Other important considerations were that only about 12 percent of U.K. maize imports originated in Commonwealth countries, and the supply potential of the Commonwealth was considered limited.

The Ottawa Agreements Act provided for duties on both wheat and flat white maize. Imports of wheat from non-Commonwealth sources were to be assessed 2s. per 480 pounds (\$0.035 per bu.), and flat white maize was to be assessed 10 percent ad valorem.

Later in the 1930's, the duty on non-Commonwealth oats was increased to 20 percent, and in 1934, it was changed to a specific ad valorem of 3s. per cwt. (\$0.12 per bu.). These changes were made largely in response to sharp declines in U.K. oats acreage during this period.

The other important change of the mid-1930's was the elimination of the duty on non-Commonwealth wheat, established earlier by the Ottawa Agreements Act.

Grain sorghum imports from non-Commonwealth countries have carried a 10-percent duty since 1932. During the 1930's, grain sorghum imports were extremely small, and grain sorghums were probably, therefore, not considered an important component of livestock producers' feed expenses. Probably no "formal reasoning" accounts for the 10-percent ad valorem duty except its consistency with the duty on barley and, when originated, the duty on oats.⁴

The duties on grain, as designed, did not generally protect British agriculture since possible effects of the duties (on non-Commonwealth grain) were eroded by exemptions of imports from the Commonwealth. In the case of coarse cereals, the exemption of maize from duties and the potential substitution of imported maize for homegrown barley and oats left U.K. cereal prices unprotected from prices in world markets. In turn, U.K. farm prices reflected the depressed prices in world markets.

Other Developments

Several other developments in the U.K. farm economy during the 1930's are worth noting. Both acreage and yields of cereals

³Barfield, Arnold, "Tariffs on Coarse Grains," *Agricultural Merchant*, Vol. 42, No. 10, XLII, October 1962.

⁴Ibid.

were relatively stable throughout the period, and farm grain prices were depressed. Although they recovered somewhat in the crop year 1936–37, they declined in 1938–39 to the levels of earlier years.

During this period, livestock numbers increased significantly. For example, the June numbers of cattle in the 1938–1939 period averaged 112 percent of the average of 1930–1931. The comparable percentage for sheep and lambs was 105 percent, for poultry 105 percent, and for hogs 140 percent.

Associated with the increase in livestock numbers, coarse grain imports for feed increased substantially. From an average of 3.4 million tons in the 3 years 1930–1932, coarse grain imports reached a high of 4.7 million tons in 1936 and averaged 4.4 million tons in 1936–1938, with a sharp dropoff to 3.1 million tons in 1939. The record level of coarse grain imports in 1936 has been surpassed only as recently as 1962.⁵

During this period of large coarse grain imports, Argentina was the principal supplier, accounting for 60 to 70 percent of total U.K. coarse grain imports from 1931 through 1936, though it experienced a sharp dropoff in 1938. During this decade, the U.S. share of U.K. cereal imports averaged less than 8.0 percent as a result of the decreased availability of U.S. cereals for export and of Commonwealth preference arrangements for wheat.

THE WAR YEARS—THE 1940'S

World War II brought about significant changes in U.K. cereal policy. These changes continue to have a profound effect on production and imports.

Efforts during the war emergency were directed toward expanding production and insuring fair distribution of available supplies to meet the food needs of the country. In order to stimulate cereal production, a program of subsidies for plowing up grassland was started in 1939. Initially, these payments were made for transferring permanent grassland to the production of seeded crops. In addition to these subsidies, fertilizer payments introduced with the 1937 agricultural act were continued. Programs involving both types of subsidies are still included as part of present-day British farm policy. Acreage of cereals expanded sharply. However, authorities became disturbed by the relatively large expansion of barley and oats in comparison with that of wheat. In order to encourage more emphasis on wheat and rye

⁵On a crop year basis, 1936–37 is the record year of the 1930's for coarse-grain imports. In the 2 years 1958–59 and 1961–62 imports were slightly greater.

production, payments were initiated for acreages of grain grown for threshing.

Marketings and prices were strictly controlled. Farmers had compulsory marketing requirements. Shortage of grain imports necessitated the diversion of grain from use for livestock production to human food consumption. As a consequence, farmers were permitted to use wheat, rye, and barley for stock feeding only if it was certified to be nonmillable. Farmers were permitted also to retain grain for seed for their own land. They were also permitted to retain tailings and screenings so long as the quantities did not exceed specified percentages of quantities threshed. The rest of the wheat, rye, and barley grain had to be marketed. Farmers were permitted to use as feed only homegrown oats.

The Ministry of Food was the sole importer of cereals. Prices were also controlled through a system of fixed maximum and minimum prices.

Many of the wartime measures were continued for several years after the war. For example, the grain trade was not decontrolled until August 1953. It was 1949 before farmers could retain their entire barley and rye crops for feed, and requirements that farmers could not feed more than 25 percent of their wheat production were retained until the time of decontrol—August 1953. Maximum prices for feeding oats, barley, and nonmillable wheat were retained until July 1953. The fixed price for millable wheat was also retained until that time.⁶

Wartime disruption of international grain supplies and the increased international demands for foodstuffs were reflected in rising prices during the early 1940's, and prices finally stabilized at a level approximately twice prewar levels. Domestic price levels were again associated with the relatively high international grain prices in the late 1940's. The government maintained prices at these relatively high levels until the introduction of the deficiency-payment system in 1954.

One of the most dramatic changes in the agricultural sector during the war was the increase in cereal acreage by over 80 percent in the 4 years 1940 through 1943. From the 1939 acreage of 5.3 million (which happens also to be equal to the 1936–1939 average), grain acreage reached 9.6 million acres in 1943, a level that has never been surpassed since that year. Decreases in permanent pasture acreage released increased acreages for cereals and other crops. Subsequent to the peak in 1943 and into the early 1950's, the trend of cereal acreage was downward but

⁶These sections dealing with government programs in the 1940's depend largely on material in *Grain Crops*, Commonwealth Economic Committee, London, 1953–1954.

DIG FOR VICTORY



never again came close to the prewar levels of 5.3 million acres. The lowest cereal acreages were 7.3 million in 1955 and again in 1959.

While acreage increased sharply with the early war effort, national yield increases were much slower. Even so, by the early 1950's yields were more than 15 percent over the yields in the late 1930's.

Another dramatic change in the agricultural sector during the war was the sharp cutback in livestock production. The June 1942-1943 hog numbers were down 55 percent, sheep numbers 22 percent, and poultry numbers 27 percent from prewar levels. The need for milk and the ability of cattle to convert roughages led to stability of cattle numbers during the severest years of the war, followed by a gradual expansion.

It was during this period also that imports dropped to less than 40 percent of the 1930 highs. The year 1944 marked the lowest level of grain imports, when they dipped as low as 4.0 million long tons.

The net effect of reduced livestock numbers and curtailed imports during World War II was a 2.6-million-ton drop in cereal consumption from prewar levels. Wheat consumption dropped less than 10 percent, while consumption of coarse grain dropped 2.0 million long tons or over 27 percent from prewar levels to a level below that for wheat. This contrast reflects the emphasis placed on wheat during the war and the requirements for delivery of all millable wheat.

TABLE 2.—UNITED KINGDOM: Grain consumption

Item	Wheat	Coarse grains	Total
	<i>Million long tons</i>	<i>Million long tons</i>	<i>Million long tons</i>
Average:			
1935-36/1937-38 -----	6.5	7.3	13.8
1941-42/1943-44 -----	5.9	5.3	11.2
Change -----	— .6	—2.0	— 2.6
	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>
Percentage change -----	—9	—27	—19

Appendix tables.

THE POSTWAR PERIOD TO 1964

Basic Legislation

The drive for increased self-sufficiency dominated thinking in the postwar years. Public opinion was influenced by the severe scarcities of the war and recognized the strategic importance of

This World War II poster urged Britons to grow their own food.

food to any war effort. Continued emphasis on domestic production was associated with the world shortage of cereals in the immediate postwar period and the scarcity of foreign exchange. These same forces led to the continuation of wartime controls. It was in this environment of heightened emphasis on self-sufficiency that planning took place for the basic legislation for farm policy of the 1950's—the Agriculture Act of 1947.

The 1947 Act provided for guaranteed prices and set forth the principle of farm production in line with the national interest. Part I of the Act states that it was designed “. . . for the purpose of promoting and maintaining, by the provision of guaranteed prices and assured markets . . . a stable and efficient agricultural industry capable of producing such part of the nation's food and other agricultural produce as in the national interest it is desirable to produce in the United Kingdom, and of producing it at minimum prices consistent with proper remuneration and living conditions for farmers and workers in agriculture and an adequate return on capital invested in the industry.”

Thus, the Act provided a permanent basis for guaranteed prices to producers. In addition, the government assumed the obligation to make direct purchases, if necessary, to protect the guaranteed prices, but purchases were not necessary until the 1953–54 season.

The 1947 Act specified that the government would hold reviews with farm organizations that, in its judgment, represented the farmers' interests. Pursuant to these provisions, “annual reviews” have been held each year between the government and the National Farmers Union as the body representing the interests of agricultural producers.

Until the 1954 crop, marketing of cereals and prices were controlled. As a consequence, the implementation of guaranteed prices did not require deficiency payments. With the prospect for decontrol, however, in September 1953 the government announced its intention to institute a deficiency-payment system for cereals. It stated “. . . the government holds the view that the only practicable arrangement for guaranteeing cereal crops is a deficiency-payments system. In the simplest form of such a system, if the average price realized in any cereal year for cereal of a prescribed quality falls short of a standard price, a deficiency payment equivalent to the difference between the average price and the standard price is payable to producers of that crop, the standard price for each cereal crop being determined in advance in the light of the Annual Review.”⁷ The “maximum quantity” for wheat used in the 1930's was not reintroduced in the postwar programs. The objective now was to stimulate maximum output by the

⁷*Guarantees for Home Grown Cereals*, Cmnd. 8947, September 1953.

agricultural sector rather than restrain production, which had been the case for wheat in the 1930's.

Another important policy development in the 1950's involved the long-term assurances relative to prices and income that were given, in 1956, by the government to the farmers⁸ and later approved by Parliament through passage of the Agriculture Act, 1957. In putting forward the long-term assurances, the government rejected proposals for "precise commodity production targets" and detailed guidance to farmers on what to produce with related commitments on prices. But the government left no doubt as to its policy objectives for agriculture. It stated, "The government's long-term policy for agriculture continues to be to support and assist the industry to achieve maximum economic output. The first objective must be to obtain as much as possible of such output from home resources, with less reliance on imported feedingstuffs. This would bring greater and more certain relief to the balance of payments than would an indiscriminate increase in gross output."⁹

In giving more precision to the long-term assurances, the government proposed the continuation of the annual reviews, but with adjustments which shortened the time period by about 12 months between determination of guaranteed prices for crops and the dates at which they became operative. As a consequence, the guarantees decided upon in February-March of each year have been applicable to the crops harvested the following summer. In this way decisions on price guarantees can more easily take into account changes in cost of production affecting the new crop.

Also of prime importance in giving precision to the long-term assurances was the placing of limitations in the year-to-year changes which could be made in guaranteed prices. It was specified that any guaranteed price, for example the guaranteed price for wheat, could not be less than 96 percent of the previous year's guaranteed price, after allowing for any change in the basis on which the payment is made. Further, the guaranteed price of individual livestock could not be reduced more than 9 percent over any period of 3 consecutive years. Also, the "aggregate value" of the price guarantees and production grants could not be less than 97½ percent of the previous year's aggregate *value with allowance for changes in cost of production*.¹⁰

⁸*Long-Term Assurances for Agriculture*, Cmnd. 23, November 1956.

⁹*Ibid.*

¹⁰In a general way, the determination of the aggregate value of the guarantees is calculated by multiplying the guaranteed prices by the related quantities of output and then adding the value of the production grants made by the government to producers. For more details see *Long-Term Assurances for Agriculture*, Cmnd. 23, November 1956.

Confident of final approval of the proposed assurance, the government indicated that it would observe the new assurances in the determination of the guarantees made in the 1957 annual review. And as expected, the proposals were approved by Parliament in the form of the Agriculture Act of 1957.

Thus, U.K. farm policy continued to be one of increased self-sufficiency even though hostilities had ceased and cereals and other products were freely available in world markets. The British were able also to implement this policy objective through the use of deficiency payments which were not considered inconsistent with the several agreements in GATT to permit the importation of cereals at zero duties. The British honored their tariff obligations, but the net result of their policy was that cereals were imported only to the extent that they were needed to supplement the indigenous production brought forth at returns substantially above prices of imports.

Still another important consideration of agricultural policy in the 1950's and the 1960's particularly relevant to cereals was the payment of farming grants and subsidies. Under legislative authority payments have been made to farmers for activities such as fertilizer and lime application; plowing up of grassland, drainage, and farm improvements.

The general principles of U.K. farm policy in the 1950's and into the 1960's were:

1. Encouragement of increased farm production through:
 - a. Guaranteed prices implemented with deficiency payments available for all quantities produced.
 - b. Production grants for practices which would increase farm productivity and efficiency.
2. Free importation of farm products at prices prevailing in world markets.

These principles of agricultural policy were dictated by the goals of U.K. society, which included:

1. Minimization of dependence on foreign food supplies.
2. Protection of farm income.
3. Maintenance of a competitive position for British manufactured products.

The goal of minimizing dependence on foreign food supplies was largely a result of experiences during the war, when the availability of foreign-produced food was seriously curtailed. The use of guaranteed prices and the payment of production grants were the means to obtain increased domestic production. These devices protected the incomes of farmers—the group that had made spectacular production increases during the war when foreign supplies were limited.

At the same time, the program permitted the free entry of food and thereby limited cost-of-living increases, thus restraining wage costs involved in the manufacture of industrial products. And so long as deficiency payments were employed, world prices did not jeopardize farm income.

Program Mechanics

In the simplest form, the U.K. deficiency-payment system has been one whereby the government pays the farmers the difference between market prices and guaranteed prices. In recent years, this difference has been 15–25 percent of the gross farm return for cereals production.

TABLE 3.—UNITED KINGDOM: Farm prices for cereals

Item	Wheat	Barley	Oats
	<i>Dollars per bu.</i>	<i>Dollars per bu.</i>	<i>Dollars per bu.</i>
1963–64:			
Market value -----	1.60	1.23	0.80
Unit subsidy -----	.41	.37	.30
Total return -----	2.01	1.60	1.10
1966–67:			
Market value -----	1.65	1.23	.82
Unit subsidy -----	.25	.24	.28
Total return -----	1.90	1.47	1.10

Annual Review and Determination of Guarantees.

For a wheat producer to be eligible for deficiency payments, the grain must be sold off the farm on which it is produced. Further, the wheat must be of “millable quality.” This requirement does not mean that the wheat must be used for the milling of flour. In fact, practically the entire crop qualifies for deficiency payments, yet less than one-half of the crop is used for food.

At the time of the annual review, the guaranteed price of wheat is specified as an annual average. For example, for the 1966–67 year, the wheat average guaranteed price was specified as 25s. 5d. per cwt. (\$1.91 per bu.). The crop year is divided into accounting periods, and the guaranteed price is scaled so that it is lower than the announced guaranteed price for the beginning of the crop year and higher for the latter part of the crop year. This approach is designed to encourage the storing of the cereals by producers. In any one of the accounting periods, the deficiency payment per unit of product marketed is the difference between the guaranteed price for that accounting period and the determined market price of wheat. The determined market price is an average of those prices reported to the Ministry of Agriculture on the certificates issued by the merchants certifying the sale of cereals by farmers.

For rye, the determination of deficiency payments is similar to

that for wheat. However, the guaranteed prices are not scaled for different periods in the marketing year.

The payments for oats and mixed corn are on an acreage basis. All producers who qualify for deficiency payments for these two cereals receive the same acreage payments regardless of the productivity of their lands or the yields of the individual crops.

A common rule applies to all cereals other than wheat: They do not have to be sold in order for the farmers to qualify for deficiency payments. To determine the acreage payment due individual farmers, the producer price of oats, determined from reported prices under the Corn Returns Act of 1882, as amended, is compared to the guaranteed price. The difference between the producer price and the guaranteed price is then multiplied by a weighted average yield of oats for the 3 years previous to the year of harvest; this figure is reduced by $7\frac{1}{2}$ percent. This calculation forms the basis for acreage payments made to producers of oats. The mixed-corn acreage payment is 70 percent of the acreage payment made for oats.

The barley deficiency-payment program differs from that used for oats and mixed corn in that a system of premiums and discounts is used to encourage the storage of cereals by producers. These premiums and discounts are assessed on the quantities marketed, not on the acreage grown. The premiums and discounts do not apply for those cereals used on farms where produced or on those cereals sold by farmers directly to other farmers.

A procedure parallel to that for oats is used to determine an approximate estimate of the barley acreage payment. This approximate acreage payment multiplied by the qualifying acreage is taken as the upper limit for the amount of payments made for barley, including the premiums and discounts for time of marketing. Adjustments are made in this approximate acreage payment so that total barley payments are no more than what they would have been if the premiums and discounts were not paid.

In 1964, standard quantities along with target indicator prices related to minimum import prices were introduced. They are discussed in a later section, but it is important to note that they did not displace the basic guaranteed price deficiency-payment system. They merely modified it.

Exchequer Costs of Farm Programs

One of the primary factors bringing about the 1964 changes in U.K. cereal policy was the large Exchequer expenditures devoted to agriculture and to the cereals deficiency payments in particular.

Developments in prices of agricultural products in world markets, increased U.K. agricultural production, the level of

guaranteed prices, and increased farming grants and subsidies have caused large Exchequer costs. The year of largest Exchequer cost was 1961–62. In that year, the total cost of government support to agriculture was £342.6 million (\$959 million). Two-thirds of this amount was incurred in the implementation of price guarantees; a little less than one-third, for production grants; the remainder, estimated as administrative costs.

Deficiency payments and production grants and subsidies have been tremendously important to net farm income. In 1963–64 and 1964–65, deficiency payments averaged 37 percent of estimated net farm income, and production grants averaged 24 percent. Thus, together they were equivalent to over 60 percent of net farm income.

Year-to-year changes in total deficiency payments have been erratic. The record-high year was 1961–62 when cereals payments as well as fatstock payments were very large. The cereals payments were £73.3 million (\$205 million)—almost double the 1955/56–1957/58 average level—and fatstock payments were £113.3 million (\$317 million)—over 60 percent above the 1955/56–1957/58 average. Since 1961–62, cereals payments have remained in the range of £43 million to £77 million (\$122 million to \$216 million), but fatstock payments have dropped to less than £50 million (\$140 million), largely because of higher market price levels. Taking the past 10 years as a whole, implementation of price guarantees for fatstock has been the largest category in the price-guarantee costs. Costs associated with cereals price guarantees have been less, but they have been increasing relative to fatstock costs and were estimated to be above the latter in 1964–65 and again in 1966–67.

In contrast to the high level of costs for cereals and fatstock guarantees, the cost of the milk price guarantees declined from £34.5 million in 1955–56 to zero in 1962–63. This change was

TABLE 4.—UNITED KINGDOM: Estimated cost of Exchequer support to agriculture

Year	Price guarantees				Farming grants and subsidies	Other	Total
	Cereals	Fatstock	Other	Total			
Average:	<i>Mil.</i>	<i>Mil.</i>	<i>Mil.</i>	<i>Mil.</i>	<i>Mil.</i>	<i>Mil.</i>	<i>Mil.</i>
1955–56/	<i>dol.</i>	<i>dol.</i>	<i>dol.</i>	<i>dol.</i>	<i>dol.</i>	<i>dol.</i>	<i>dol.</i>
1957–58 --	105.5	195.7	161.3	462.6	190.7	27.4	680.7
1962–63/							
1964–65 --	190.7	213.9	76.2	480.8	299.9	29.4	810.1
1965–66 ¹ ---	121.8	152.6	73.6	348.0	290.6	43.8	682.4
1966–67 ¹ ---	140.6	107.2	68.6	316.4	306.0	33.4	655.8
1967–68 ¹ ---	168.3	169.1	62.4	399.8	322.8	35.1	757.7

¹Estimate.
Appendix tables.

accomplished through the combination of a marketing board, price discrimination, and the use of a “standard-quantity” approach. The standard-quantity provision limits the price guarantees to the liquid milk sold. Milk not sold for liquid use at the selected guaranteed prices is used in production of such products as cheese and butter. These manufactured products, in turn, compete with imported products. The producer receives a return reflecting an average of the sales for the various uses.

Farming grants and subsidies.—In comparison to the erratic nature of the cost of deficiency payments, farming grants and subsidies consistently increased until 1962–63, when they were £109.4 million (\$306 million), 60 percent greater than the average level of the 1956-57/1958-59 period. Some of the prominent farming grants and subsidies are the fertilizer grants, lime subsidy, plowing grants, and the calf subsidy. The largest, in terms of Exchequer expenditures, are the fertilizer grants. This program makes grants to farmers purchasing nitrogenous and phosphatic fertilizers. In 1962, two of the rates were £8 1s. (\$22.54) per long ton for the application of sulphate of ammonia and £5 9s. 6d. (\$15.33) per long ton for the application of superphosphate.

The lime subsidy programs have made it possible for the individual farmers to recover from the government 65 percent of the delivered cost of lime. Further, the government has paid part of the spreading costs.

Plowing grants are available for the plowing of grassland. In 1962–63, the grant was £7 (\$19.60) per acre. It was reduced to £5 (\$14.00) per acre for 1963–64. However, the expected Exchequer savings were to be used to encourage renovation of permanent grasslands and production of forage.

The calf subsidy is a payment for producing beef-type calves. For steer calves £9 5s. (\$25.90) a head has been paid. The amount has been £7 10s. (\$21.00) a head for heifers.

TABLE 5.—UNITED KINGDOM: Farming grants and subsidies

Item	1956/57– 1958/59	1962/63– 1964/65	1965–66	1966–67 ¹	1967–68 ²
	<i>Mil.</i> <i>dol.</i>	<i>Mil.</i> <i>dol.</i>	<i>Mil.</i> <i>dol.</i>	<i>Mil.</i> <i>dol.</i>	<i>Mil.</i> <i>dol.</i>
Fertilizer subsidy ----	63.8	92.1	82.9	84.0	87.1
Lime subsidy -----	26.9	26.0	22.7	19.0	18.5
Plowing grants -----	27.2	27.4	21.3	17.1	10.6
Calf subsidy -----	36.1	53.8	63.6	70.6	71.4
Other -----	58.0	100.5	100.1	115.3	135.2
Total -----	212.0	299.6	290.6	306.0	322.8

¹Latest forecast. ²Estimates.
Annual Review and Determination of Guarantees, miscellaneous issues.

Deviations from estimates.—Criticism of the deficiency-payment system for implementing the price guarantees has often included the unpredictability of its Exchequer costs and the consequent difficulty it creates for government budgeting. The record indicates that in a few years—such as 1956–57, 1959–60, and 1960–61—excesses for individual commodities were largely offset by savings on other commodities; in the 6 other years of the 9 ending 1963–64, the deviations of the final outturns from the original estimates were more significant with both excesses and savings.¹¹

TABLE 6.—UNITED KINGDOM: Exchequer support to agriculture.
price guarantees

Year	All commodities				Individual commodities	
	Original estimate	Outturn	Excess ¹	Savings ²	Excesses ¹	Savings ²
	<i>Mil. dol.</i>	<i>Mil. dol.</i>	<i>Mil. dol.</i>	<i>Mil. dol.</i>	<i>Mil. dol.</i>	<i>Mil. dol.</i>
1955–56	539.3	388.1	-----	-151.2	+21.3	-172.5
1956–57	433.4	437.9	+4.5	-----	+140.6	-136.1
1957–58	448.0	562.0	+114.0	-----	+126.8	-12.9
1958–59	592.2	433.2	-----	-159.0	+38.4	-197.4
1959–60	428.4	433.2	+4.8	-----	+58.0	-53.2
1960–61	421.4	423.4	+2.0	-----	+82.6	-80.6
1961–62	415.2	631.4	+216.2	-----	+229.0	-12.9
1962–63	632.2	532.3	-----	-100.0	+19.0	-119.0
1963–64	681.5	500.9	-----	-180.6	+10.9	-191.5
9-year average (1955–56/63–64)	510.2	482.4	-----	-27.7	+80.6	-108.4

¹ Outturn above original estimate. ² Outturn below original estimate.
Appendix tables.

On the average during this period, the final outturn of Exchequer cost of implementing price guarantees was £9.9 million (\$27.7 million) below the original estimate. In 5 years, the outturns were higher, and in another 4 years lower than the original estimates. But in only 2 years, 1957–58 and 1961–62, were they substantially higher. Cereals and eggs accounted largely for the 1957–58 outturn being up substantially. In 1961–62, costs for practically all products were up, but fatstock accounted for over half of the increase over the original estimate.

The 9-year record of 1955–56/1963–64 would suggest, however, that the costs of price guarantees for cereals are more predictable than for fatstock. The average of the annual absolute deviations of outturns in relation to original estimates for cereals has been £10.6 million (\$29.7 million), while for fatstock it has been £26.7 million (\$74.8 million). Further, in relation to the average of the

¹¹“In excess” is defined as situation when outturn of Exchequer costs is greater than original estimate, while “savings” is defined as that when outturn of Exchequer expenditure is less than original estimate.

original estimate, the £10.6 million deviation for cereals was 20 percent, while that for fatstock was 33 percent.

These calculations, along with the accompanying figures, suggest that fatstock has largely accounted for the deviations of outturns from the original estimates of Exchequer expenditure for implementing price guarantees.

Major Production and Trade Trends

Some of the most significant trends and developments of the U.K. cereal economy are related to U.K. cereal production. Today's relatively high level of U.K. cereal production is largely caused by four major developments. These include (1) the widespread plowup of permanent pastures in the war years to meet the cereal needs of the nation, (2) the failure to divert these acres back to permanent pasture, (3) the yield increases persisting over many years, and (4) sharp increase in cereal acreage since 1959 to a level within 0.2 million acres of the 9.6-million-acre peak which came about during the war.

As was indicated in an earlier section, the war effort stimulated rapid expansion of cereal acreage through the plowing up of permanent pastures. The peak U.K. cereal acreage of 9.6 million



British farmers plow up a permanent pasture which will be turned over to cereal. In 1959, when this photograph was taken, and in subsequent years, U.K. cereal acreage and yields both increased.

acres was recorded in 1943 and represented an increase of over 80 percent from the 1936–39 average acreage of 5.3 million. While cereal acreage dropped somewhat after the cessation of hostilities, it remained substantially above prewar levels. The lowest acreages in the period occurred in 1955 and 1959, when total grain acreage was 7.3 million acres—a little more than 40 percent greater than the prewar acreage of 5.3 million in 1936–39. In terms of cereal production, this margin of acreage over prewar levels is very significant. Some notion of the significance of the routine acreage expansion to present U.K. cereal production, and in turn cereal imports, is illustrated by a calculation involving a series of assumptions relative to total grain acreage, the mix of grains, and yield levels. Assuming (1) 1963 grain acreage equal to the 1936–39 acreage plus the increase in acreage since the lows of the late 1950's, (2) the grain acreage mix the same as the 1963 mix, and (3) grain yields the same as 1963 levels, then 1963 grain production would have been 4.4 million tons less than the actual production of 11.2 million tons.

This does not mean that cereal production in 1963 would have been 4.4 million tons less if the war and its associated pressures for grain production had not occurred. It does suggest, however, that U.K. indigenous grain production and, in turn, the amount of U.K. grain imports are probably still being significantly influenced by developments associated with the war.

Cereal production reached a peak of 8.6 million tons in 1943, the same year in which cereal acreage reached a peak of 9.6 million acres. Subsequently, declining cereal acreage and decreases in cereal yields combined to effect a reduction of cereal output. But while cereal acreage continued a downward trend into the late 1950's, yields hit a low in 1947, after the severe winter of 1946, and then commenced a long-term trend upward. Yield increases were most spectacular for wheat and barley. The yield increases more than offset the decline in cereal acreages, and in 1953 and 1955 the wartime record of 8.6 million tons was surpassed. The old levels were again surpassed in 1959 and in subse-

TABLE 7.—UNITED KINGDOM: Cereal yields

Period	Wheat	Barley	Oats	Rye	All cereals
	<i>Bu. per acre</i>	<i>Bu. per acre</i>	<i>Bu. per acre</i>	<i>Bu. per acre</i>	<i>Long tons per acre</i>
1933–35 ----	36.0	39.7	38.3	----	8.8
1940–42 ----	35.1	39.7	39.4	27.4	8.7
1950–52 ----	40.7	46.7	42.7	34.2	9.8
1955–57 ----	47.8	56.2	45.7	38.8	11.4
1960–62 ----	56.9	62.3	50.6	38.8	13.3
1965 -----	60.5	69.8	55.8	46.6	15.0
1966 -----	58.2	67.0	86.1	44.0	14.4

Appendix tables.

quent years when acreage increases, as well as substantial yield increases, occurred.

About 3 million tons of current production levels are accounted for by yield increases of the individual cereals since 1940–44.¹²

Although total cereal acreage since the rapid expansion in the early 1940's can be characterized as having a trend downward into the late 1950's with a sharp increase since 1959, this description does not fit the individual cereals. Oats acreage has declined persistently since the war emergency. Wheat declined sharply and then leveled off, so that the 1961–63 wheat acreage was under that in 1946–48. But in contrast, barley acreage stabilized at high expansion levels and ranged from 1.8 million to 2.3 million acres between 1945 and 1956. Since that time, it has expanded sharply and more than offset the accelerated decline in oats acreage and the somewhat lower wheat and mixed-corn acreages.

TABLE 8.—UNITED KINGDOM: Cereal acreage

Period	Wheat	Barley	Oats	Rye	Other	All Cereals
	<i>Million acres</i>	<i>Million acres</i>	<i>Million acres</i>	<i>Million acres</i>	<i>Million acres</i>	<i>Million acres</i>
1933–35 -----	1.8	0.9	2.6	0.02	0.1	5.4
1940–42 -----	2.2	1.4	3.8	.04	.5	8.0
1943 -----	3.5	1.8	3.7	.1	.5	9.6
1950–52 -----	2.2	2.0	2.9	.06	.8	8.0
1955–57 -----	2.1	2.4	2.5	.02	.4	7.5
1960–62 -----	2.1	3.7	1.7	.02	.2	7.7
1965 -----	2.5	5.4	1.0	.02	.1	9.0
1966 -----	2.2	6.1	.9	.01	.1	9.4

Appendix tables.

A factor partially accounting for the shift to barley acreage, rather than expansion of wheat acreage, relates to the implementation of the deficiency-payment system. As pointed out in another section, to qualify for a wheat deficiency payment, for all practical purposes the cereal must be sold from the farm and the deficiency-payment total is related to yields. On the other hand, barley, oats, and mixed cereal deficiency payments are made on an acreage basis regardless of the productivity of the individual acres.

The postwar period, like the interwar period, was marked by upward trends in livestock numbers, which largely account for the sharply increased cereal consumption that has been experienced. By 1948, poultry numbers were close to their peak prewar levels, and in 1961 and 1963 they were over 110 million. They had

¹²This estimate does not reflect any allowance for increased yields associated with switching acreage from low yielding to higher yielding crops. In other words, it answers the question: How much would current production be reduced if yields were equal to 1940–44 levels but if acreage were identical to present makeup and levels?

been as low as 51 million in 1943. It was not until 1952, however, that pig numbers surpassed their peak prewar levels. Although they had been reduced to 2 million head in the war years, they reached 6.9 million by 1963.

U.K. price policies have been very conducive to expanded livestock production. An indication of the incentive for livestock production is provided by the ratio between hog returns, including deficiency payments, and the market returns for barley. A comparable relationship of fat-cow prices to feed prices is also indicative of the incentive afforded livestock production. Such ratios suggest that under the U.K. deficiency-payment system the incentives for using cereals for livestock production have increased significantly since the immediate postwar period and have remained sharply above the prewar price incentives. Barley was used as indicative of feeding costs because of the prominence of barley as a feed grain in England. Also, for the years since deficiency payments were started, barley market prices rather than producer returns were used to compute the ratios. The producers are eligible to receive deficiency payments even though barley produced is not marketed. Also, the barley market price was considered closely related to the costs of imported cereals for livestock production.

TABLE 9.—UNITED KINGDOM: Ratio of livestock and livestock product price to cereal price, 1935-37 to 1966-67 ¹

Period	Fat cows	Fat cattle	Fat pigs	Eggs	Milk
	<i>Ratio</i>	<i>Ratio</i>	<i>Ratio</i>	<i>Ratio</i>	<i>Ratio</i>
1935-37 -----	2.31	----	1.17	1.40	0.01
1940-42 -----	1.31	----	.73	.88	.06
1945-47 -----	1.82	----	1.13	1.41	.09
1950-52 -----	1.99	----	1.47	1.32	.09
1955-57 -----	4.41	----	2.21	1.91	.14
1955/56-1957/58 -----	----	7.13	2.40	2.01	.15
1960/61-1962/63 -----	----	8.25	2.31	1.94	.16
1965/66 -----	----	8.25	2.02	1.76	.17
1966/67 ² -----	----	8.98	2.23	1.74	.19

¹Ratio computed from market price of cwt. of barley and price of livestock products on the following bases: Fat cows and cattle, liveweight, cwt.; pigs, score deadweight; eggs, 120; milk, gallon. ²Forecast.

Annual Abstract of Statistics; 1935-37 through 1955-57 computed from annual average prices for England and Wales. *Annual Review and Determination of Guarantees*, miscellaneous issues; 1955-56/1957-58 forward computed from barley market prices, fat cattle and fat pig total returns, egg and milk guaranteed prices, United Kingdom.

The effect of these price incentives shows up not only in the demand for cereal, but also in the U.K. self-sufficiency of livestock products. Previous to the war, the United Kingdom imported two-thirds of the milk products it consumed. In 1961-62/1963-64, imports were 53 percent of the milk products consumed. One-third of prewar egg consumption was imported; now, less than 3

percent. Over half of prewar meat consumption was imported; today, less than one-third, with the quantity of beef and veal, of pork, and of poultry meat imports all down from prewar levels. Bacon and ham imports have in recent years been just above prewar levels.

Total cereal imports.—Prior to the war, the United Kingdom was only 30 percent self-sufficient in cereal production. Consumption needs totaled close to 15 million tons, of which imports made up over two-thirds.

Wartime developments changed this relationship drastically. During hostilities, imports dropped to the extremely low level of 4.0 million tons, in contrast to over 10 million tons in 2 different years of the 1930's. Resumption of shipping permitted increased imports in the late 1940's. However, the expanded cereal acreage continued to supply a larger proportion of consumption needs. Consequently, prewar levels of imports were not again reached until the late 1950's.¹³

The import developments for the several types of cereals vary. Wheat imports have never reached their prewar levels. It was not until 1962 that prewar corn import levels were surpassed. As early as 1948 and 1950, barley imports were equal to prewar levels. Oats and rye imports have always been relatively minor. Grain sorghum imports have become important only since the war, though grain sorghum imports are still less than 8 percent of total U.K. coarse-grain imports. An important factor restricting U.K. imports of grain sorghums is the Commonwealth preference, which places a 10-percent levy on non-Commonwealth sorghums.

Significant changes in imports occurred during World War II. Consumption was curtailed sharply in response to the unavailability of imports. In turn, imports as a percent of consumption decreased from over 80 percent for wheat and over 60 percent for coarse grains to less than 50 percent for each.

From the early 1950's, however, coarse-grain imports as a proportion of consumption increased until the early 1960's, when the upsurge in U.K. cereal production caused an actual decrease in coarse-grain imports. Wheat imports, however, have decreased as a share of consumption throughout the 1950's and thus far in the 1960's.

Effects on U.S. exports.—The United Kingdom is an important market for U.S. cereals. For example, in 1962-63 U.S. cereal exports to the United Kingdom were valued at \$105 million, second only to U.S. exports to Japan. Before that year, the

¹³On a calendar year basis, the prewar record imports of over 10 million tons have not been surpassed. However, crop year data show prewar record annual cereal imports of 9.6 million tons compared with 10.1 in 1958-59.

United Kingdom had been the largest U.S. commercial market for cereals.

The U.S. share of U.K. wheat imports has varied, with a sharp decline in the 1960's to less than 10 percent. In contrast, the U.S. share of U.K. coarse-grain imports has increased to over 50 percent. Wheat imports from the United States have tended to be smaller in years of large U.K. wheat crops and larger in years of poorer production. Canada's share of the U.K. market declined into the mid-1950's. Since then it has been more stable. The relatively greater stability of Australia's share is at least partially accounted for by the Australian Wheat Agreement.

The situation on coarse grains is different, however. The demand for yellow corn has increased rapidly since the war and has just recently surpassed prewar levels. And the United States has been the major supplier. Argentina supplies a portion of U.K. needs, but the amount is sharply below that of the prewar period, when Argentina was the major supplier of corn in world trade.

CHANGES IN 1964

As mentioned earlier, the United Kingdom introduced in 1964 two major changes in its cereal programs. These were: (1) The placing into effect of "standard quantities" for grain whereby the deficiency payments to U.K. farmers for grain production would be limited, and (2) the inauguration of minimum prices for U.K. cereal imports, with a system of discriminatory variable levies to buttress the minimum import prices.

Another development coincident with the introduction of standard quantities and minimum import prices was the U.K. Government's subscribing in the 1964 Cereals Agreement to the objective ". . . of maintaining a fair and reasonable balance between home production and imports . . . with an . . . opportunity for both domestic producers and overseas suppliers to share in this future growth of the United Kingdom market in a fair and reasonable way."¹⁴ The long-run significance of this objective is uncertain. Events of the future will tell if there has in fact been a departure from the agricultural policy objectives of maximum economic output expressed in the long-term assurances of November 1956.

However, there is reason for skepticism as to whether this

¹⁴*Exchange of Letters and Notes* between the Government of the United Kingdom of Great Britain and Northern Ireland and the Governments of Canada, the Commonwealth of Australia, the Argentine Republic and the United States of America regarding the changes which the Government of the United Kingdom proposes to introduce in their Production and Trade Policies relating to cereals, Cmnd. 2339, April 15, 1964.

policy has in fact been altered significantly. For example, total grain imports in 1964–65, the first year of the Agreement, were almost 10 percent below the base amount incorporated in the Agreement. In 1965–66 the level of imports was only slightly higher. Further, in September 1965 the Labor Government issued a White Paper calling for increased self-sufficiency in agricultural products.

The U.K. Cereals Agreement

The changes in U.K. cereal policy were part of a larger understanding reached between the United Kingdom and each of the major overseas suppliers of grain to the United Kingdom—Argentina, Australia, Canada, and the United States. These understandings—known as the U.K. Grains Agreement, were incorporated into Letters and Notes exchanged between the respective governments.

The complete text of the Exchange of Letters and Notes between the Government of the United Kingdom and the Government of the United States is given in Appendix I. Identical Letters and Notes were exchanged with the other three major supplying countries—Argentina, Australia, and Canada. While it is important to consider each of the provisions within the context of the entire Exchange of Letters and Notes, portions are given below in order that particular provisions will be especially noted. The paragraph designations correspond to the paragraphs of the Exchange of Letters and Notes.

The Exchange of Letters and Notes includes the following:

(3) A statement that the two governments agree on the main objectives “. . . that the world market for cereals should be improved through the establishment of a better and more economic balance between world supplies and commercial demand, and that to this end there should be the provision of acceptable conditions of access into world markets for cereals. . . .”

(4) A statement that the United Kingdom intends to introduce “. . . adaptations into their existing cereals policy with the objectives of promoting greater stability in the United Kingdom cereals market, and of maintaining a fair and reasonable balance between home production and imports . . . broadly based upon the present supplies to the United Kingdom market from domestic production on the one hand and cereals imports on the other, and as regards the future growth of the United Kingdom market, would provide the opportunity for both domestic producers and overseas suppliers to share in this in a fair and reasonable way.”

(5) An indication that the Government of the United Kingdom intended to “. . . restrain financial assistance so as to discourage the increase of domestic cereals production above a level con-

sistent with these objectives, and second to operate, in cooperation with their principle overseas suppliers, a system of minimum import prices for the main cereals, cereal products, and by-products."

(6) A statement that ". . . any necessary restraint of financial assistance should be applied through the effective reduction of guaranteed prices. . . ."

A specification of standard quantities for wheat and barley, projected consumption and expected imports, with a provision that changes in these data ". . . shall be considered each year . . ." in the consultations which start no later than the beginning of December.

(7) A commitment that "Any subsequent changes [in minimum import prices] shall be a matter for joint consultation between the Government of the United Kingdom and the principle cooperating Government, and as regards any changes which affect the particular interests of the Government of the United States, the Government of the United Kingdom shall seek the agreement of the Government of the United States. In addition, the Government of the United Kingdom shall not make any significant change in the general level of minimum import prices except after agreement with the Government of the United States and other principle cooperating Governments."

(8) A statement that ". . . the United Kingdom shall take action to maintain the levels of the prescribed minimum import prices by such levies on imports as may be necessary for this purpose." And that the United States will consent to levies placed on U.K. imports of U.S. grains if prices of U.S. grains fall below the respective minimum import prices set forth by the United Kingdom.

(9) The United Kingdom shall review the minimum price arrangements before the beginning of each crop year commencing on July 1, or on request during a crop year, in consultation with the governments of the cooperating countries.

(10) A commitment by the United Kingdom that ". . . not later than the beginning of December in each year, [it would] start to review in consultation" with cooperating governments "the extent to which the objectives" stated in the Exchange of Letters are being achieved.

(11) A commitment by the United Kingdom to take "corrective action" if the minimum import prices result ". . . in an appreciable distortion of the pattern of trade . . . and in consequence have damaged or threaten to damage the trade interests of the Government of the United States. . . ."

(12) A commitment by the United Kingdom to consult with

cooperating governments if total U.K. imports of cereals (including the wheat equivalent of wheat flour) show or "... threaten to show an appreciable decline below the average volume of such imports during the three years preceding July 1, 1964" If this decline takes place because U.K. changes in domestic policies and minimum import prices "... have failed to be effective for the purpose of maintaining that volume of imports . . . ," the United Kingdom "... shall take effective corrective action at the earliest practicable time to remedy the situation."

(13) An indication that the United States "... will cooperate so far as practicable in the operation and observance of minimum import prices. . . ."

(15) A provision whereby the United Kingdom or the United States may terminate the agreement by "... giving not less than four months' notice in writing to the other."

Perhaps one of the most unique features of the Agreement is that it is the first international agreement in which a country sets forth an objective of maintaining a balance between home production and imports. The Agreement is also unique in that it provides for review, in consultations with outside governments, of the extent to which the objectives are being achieved. And since the Agreement provides for restraint of financial assistance to U.K. farmers, if necessary, to restrain increases in grain production, it is unique in that it, therefore, provides for review by foreign supplying countries of the U.K. domestic policy and programs related to U.K. grain production.

There has been an increasing awareness of the crucial relationship between domestic agricultural policies and trade policies. But this is the first time that an international agreement has incorporated a procedure for review and consultation of domestic policies by foreign supplying countries outside the auspices of international organizations such as OECD, IWA, GATT, and FAO. Further, unlike the reviews under auspices of international organizations, where policies of all member countries can be considered, there are no provisions in the U.K. Agreement for a reciprocal-type review of domestic policies of supplying countries.

Minimum Import Prices

Under the U.K. minimum import price system, three different types of levies can be assessed. They are (1) general, (2) country, and (3) consignment levies.¹⁵

The general levy is applicable to imports from noncooperating countries and is based on the difference between the minimum

¹⁵For details of levy system see *Cereals, Minimum Import Price and Levy Arrangements*; Ministry of Agriculture, Fisheries and Food; Dept. of Agriculture and Fisheries for Scotland, Home Office, undated, released in 1964.

import price, taking quality into consideration, and the lowest prices at which the imports are available from any supplier.

The country levies apply to specific commodities of cooperating countries. Their levels are determined by the amount by which the general levels of offering prices for the specific commodities are below the related minimum prices. For example, U.S. Soft Red Winter No. 2 wheat has a minimum of £23 10s. per long ton (\$1.76 per bu.). Thus, if offering prices of this wheat were £23 per long ton (\$1.725 per bu.), the country levy on U.S. Soft Red Winter wheat would be 10s. per long ton (\$0.035 per bu.), while there would be no levy on other U.S. wheats or wheats from other cooperating countries unless they were below their respective minimums. The general levies are always equal to or greater than the largest country levies.

The consignment levy may be applied to imports from both cooperating and noncooperating countries. It is to be applied when the c.i.f. prices and applicable duties, and other levies of individual consignments, are less than the respective minimum import prices.

Thus, there are two particular circumstances in which U.S. grains and grain products can be subject to a levy under the U.K. system so long as the United States is a cooperating country: (1) When the general level of prices of the U.S. product in question is less than the related minimum prices, and (2) when the prices of individual consignments drop below the minimum, even though the general level of U.S. prices is above the minimum. Levies on U.S. products are determined on the basis of prices of U.S. products and are not affected by prices of products from any other country. In addition, the minimum prices are on a c.i.f. duty-paid basis. Where other duties apply, such as for sorghums and flour, the determination of any levy is to be on the basis of the c.i.f. prices plus the appropriate duty.

Provision is made to permit the registration of forward contracts on the basis of announced prospective levies. The effect of these provisions is to permit the payment of the lower of either the current rate of levy at the time of importation or the prospective rate applicable at the time of registering the forward contract. Suppose, for example, that in July a prospective levy of 15s. per long ton (\$0.05 per bu.) was applicable to U.S. yellow corn for October delivery. The importer might register in July a purchase for October delivery. At time of importation, October, if the current levy on U.S. corn was 5s. per long ton (\$0.02 per bu.), the importer would pay a levy of 5s. per long ton, but if the current levy was £1 per long ton (\$0.07 per bu.), the importer would pay only 15s. per long ton, the prospective levy at which the contract had been registered.

Special arrangements are made for Australian and Canadian flours in that levies on flours from these countries are to be 1.4 times the levy on the related wheat. Also, provisions are made for transshipment of grain, such as through European ports.

There are significant differences between the U.K. system of minimum import prices and the EEC variable levy system. The main differences involve: (1) The level of the minimum import prices; (2) the use of quality coefficients, *i.e.*, the means of accounting for differing quality; (3) the provision for “cooperation” by exporting countries and, in turn, the application of the levies to all imports, as in the EEC, or only a portion of the imports, as in the United Kingdom; and (4) the frequency of calculating the levy.

The U.K. minimum import prices are substantially lower than the EEC threshold prices. However, they are sufficiently high, relative to actual c.i.f. prices, to cause the United Kingdom to have announced prospective country levies in a number of cases, as well as to apply general levies. The minimums also are substantially above the low c.i.f. prices of French and Russian grain experienced in previous years. Thus, through the minimums, the internal U.K. markets are insulated but at a much lower level than are EEC markets. Reportedly, if prices generally fell below the minimum prices, the minimums would be lowered some corresponding amount. This type of change would obviously depend upon many considerations other than the administrative difficulties of collecting levies on all cereal imports.

Under the EEC system, quality coefficients are used to determine the lowest adjusted c.i.f. price for the individual types of grain, that is, wheat, corn, rye, and barley. These lowest adjusted

TABLE 10.—UNITED KINGDOM: Minimum import prices, EEC threshold prices, and EEC standardized c.i.f. prices for cereals

Cereal	U.K. minimum import prices, 1966-67 ¹	EEC threshold prices ²				EEC stand- ardized c.i.f. prices ³
		Member country, 1965-66 range		Harmonized, 1967-68		
		Low	High			
	<i>Sterling</i> <i>per long ton</i>	<i>U.S. dol.</i> <i>per bu.</i>	<i>U.S. dol.</i> <i>per bu.</i>	<i>U.S. dol.</i> <i>per bu.</i>	<i>U.S. dol.</i> <i>per bu.</i>	<i>U.S. dol.</i> <i>per bu.</i>
Wheat ---	22.10.0 to 26.10.0	1.69-1.99	2.70	3.23	2.84	1.67
Barley ---	20.0.0	1.20	1.46	2.26	1.94	1.43
Oats ----	20.0.0	.80	.93	1.37	----	.87
Corn ----	21.0.0	1.47	1.81	2.67	2.26	1.53
Grain						
sorghum	20.10.0	1.40	1.54	2.54	2.19	1.58
Wheat						
flour ---	32.0.0 to 40.0.0	4.00 to 6.00 ⁴				----

¹Constant throughout the year. ²Beginning of year. ³June 1967. ⁴Per 100 pounds.

c.i.f. prices (standardized c.i.f. prices) are subtracted from the minimum import prices to determine the levy to be assessed. This levy is then assessed on all imports of that grain regardless of the actual c.i.f. prices.

Under the U.K. system, in contrast, quality coefficients have been used to establish a series of minimum import prices for different classes of grain. Levies on any particular grain are to be the difference between the actual c.i.f. prices and the respective U.K. minimum import prices applicable to the particular class and grade of grain. Thus, on any day, for example, Manitoba No. 2 wheat could incur a levy, while U.S. Northern Spring 14 percent protein wheat may not incur one.

Consequently, under the U.K. system the c.i.f. duty-paid costs of imports are administratively determined when prices are equal to or below the minimum prices. And, in consequence, the relation of the c.i.f. duty-paid costs are also administratively determined under such circumstances. This is not the case under the EEC system. The EEC variable levy system permits the market determination of the price differences. The system does, of course, influence the relative c.i.f. duty-paid costs since the EEC levy is equal regardless of the relative c.i.f. prices of the different grades and classes of grain. However, the system does not freeze the relative c.i.f. duty-paid costs of competing grades and classes of grains.

The EEC system involves calculating the standardized c.i.f. prices and, in turn, the levies each day. In contrast, the identification of changes in c.i.f. price, and, in turn, changes in the U.K. levies have been infrequent. There has been a deliberate effort by the U.K. Government to avoid day-to-day changes in levies.

U.K. Tariff

The introduction of minimum grain import prices in the summer of 1964 represented a sharp departure in trade policy. Basically, a free-trade policy for grain had prevailed since the repeal of the Corn Laws in the 1800's. As indicated in an earlier section, a major modification of duty-free grain imports was the preference implemented in the 1930's for certain grain and other imports.

Two other aspects of U.K. trade policy are important when considering the background of the minimum import price system currently being utilized by the British. They are the Australian-U.K. Wheat Agreement and the Gentlemen's Agreements among domestic milling groups.

Australian-U.K. Wheat Agreement.—Again, war developments are still influencing trade. During the war and for several years thereafter, the British Government was sole importer of

agricultural products as well as some others. Under such circumstances, it was possible for the government to direct import trade administratively. This was done, and large amounts of Australian FAQ wheat were purchased. But with the withdrawal of the government from grain trading, it was feared that the volume of trade would diminish sharply. Also, there were desires for preferences in Australian markets for British-produced goods. To relieve the anxiety of Australia, the two governments agreed that it is "their desire and expectation that sales on commercial terms of Australian wheat and flour in the United Kingdom will amount to not less than 750,000 tons per annum." This quantity is to exclude any imports of high protein wheat or wheat not used for food.

In turn, millers have indicated to the British Government that they will, to the best of their ability, see that the 750,000 tons would be imported. This agreement was not changed in 1964 by the announced changes in U.K. grain policy.

Gentlemen's Agreements.—Another factor influencing U.K. grain imports has been the "Gentlemen's Agreements." Flour millers have in recent years agreed to utilize 1.4 million tons of domestically produced wheat. U.K.-produced wheat is soft. Through the Gentlemen's Agreements, millers are encouraged to use somewhat more domestically produced wheat than would otherwise be the case.

Feed manufacturers have also expressed a willingness to use domestically produced grain. At first, this included only barley, which they have attempted to use to the greatest extent possible so long as prices remained competitive. More recently, this endeavor has encompassed wheat.

Standard Quantities and Target Indicator Prices

The concept of standard quantities involves limitations on deficiency payments to farmers by providing for lower guaranteed returns to farmers if production exceeds the standard quantity. In essence, the standard-quantity approach is a flexible price-support scheme. The larger the production, the lower the deficiency payment given to farmers. For example, if it were evident, after the year's production was known, that the standard quantity was 90 percent of production, then the per unit deficiency payment would be 10 percent less than that which would have been paid if the standard quantity had not been employed.

Target indicator prices are a feature intrinsic to the standard-quantity approach introduced by the British and are related to the minimum import prices of the corresponding grains. These were designated to be £20 per ton (\$1.50 per bu.) for wheat and

£19 per ton (\$1.14 per bu.) for barley. Their effect tends to decrease deficiency payments in years of large crops and to increase deficiency payments in years of small crops.

Illustrations.—The following illustrations are instructive in showing the workings of the standard quantity.

1. If production is equal to or greater than the top of the range of the standard quantity: ¹⁶

The price deficiency is determined by the difference between the guaranteed price and either the market price or the target indicator price, whichever is the higher. Thus, if a large crop causes prices to be less than the target indicator price, farmers will not be compensated for declines below the target indicator price.

Examples: *Wheat*

Production	3.5 million tons			
Standard quantity (top of range)	3.3 million tons			
	<i>Example I</i>		<i>Example II</i>	
	<i>s/ UK cwt.</i>	<i>\$/bu.</i>	<i>s/UK cwt.</i>	<i>\$/bu.</i>
Guaranteed price	26 s. 6 d.	1.99	26 s. 6 d.	1.99
Target indicator price	20 s. 0 d.	1.50	20 s. 0 d.	1.50
Average market price	21 s. 0 d.	1.58	19 s. 6 d.	1.46

Effect of target indicator price on:

Price deficiency	5 s. 6 d.	0.41	6 s. 6 d.	0.49
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Effect of standard quantity on:

Per unit deficiency payment:

Example I —33/35 of 5 s. 6d, equals 5 s. 2 d. per cwt. deficiency payment
(33/35 of \$0.41 equals \$0.39 per bu.).

Example II—33/35 of 6 s. 6d. equals 6 s. 2 d. per cwt. deficiency payment
(33/35 of \$0.53 equals \$0.46 per bu.).

2. If production is less than the low of the range of the standard quantity:

The target indicator price is disregarded in calculating the price deficiency, and the per unit deficiency payment is the price deficiency (guaranteed price less market price) plus one-fourth of the amount by which the market price exceeds the target indicator price, if in fact it does.

¹⁶Illustrations taken from *Annual Review and Determination of Guarantees*, 1964, Cmnd. 2315.

Production			3.1 million tons	
Standard quantity (low of range)			3.2 million tons	
	<i>Example I</i>		<i>Example II</i>	
	<i>s/UK cwt.</i>	<i>\$/bu.</i>	<i>s/UK cwt.</i>	<i>\$/bu.</i>
Guaranteed price	26 s. 6 d.	1.99	26 s. 6 d.	1.99
Target indicator price	20 s. 0 d.	1.50	20 s. 0 d.	1.50
Average market price	19 s. 0 d.	1.42	21 s. 0 d.	1.58
Price deficiency:	7 s. 6 d.	.57	5 s. 6 d.	.41
Deficiency payment	7 s. 6 d.	.57	5 s. 9 d.	.43

Example I—No adjustments are made in the price deficiency since production is less than the standard quantity and the market price is less than the target indicator price.

Example II—The deficiency payment is 5s. 6d. per long ton (\$0.41 per bu.) plus 25 percent of 1s. 0d. (\$0.08)—the amount by which the market price exceeded the target indicator price—which is equal to 5s. 9d. (\$0.43).

3. If production is less than the top of the range of the standard quantity, but equal to or greater than the bottom of the range of the standard quantity:

This range of production is used to phase in the use of market prices and to phase out the use of the target indicator prices to determine the price deficiency.

Application.—There are three aspects of the standard-quantity approach which have a crucial relationship to the possible restraint that the standard quantity may exercise on U.K. grain producer returns. They involve:

1. The size of the standard quantities.
2. The level of the target indicator prices.
3. The schema for the reduction of deficiency payments when production exceeds the standard quantity.

Relative to past production, the standard quantities selected by the British were high. Record wheat production was 3.9 million tons in 1962, and record barley production was 6.5 million tons in 1963. Combined, the largest U.K. production of both grains was 9.7 million tons in 1962. In comparison, the standard quantities selected for the first year were 3.3 million for wheat and 6.5 million for barley, making a combined total of 9.8 million tons.

The target indicator price selected for wheat was £20 per long

ton (\$1.50 per bu.). For barley, it was £19 per long ton (\$1.14 per bu.). As indicated in the examples, in years of production larger than the standard quantities, farmers are not to be compensated if market prices decline below the target indicator prices. Examination of historic prices suggests that this provision will not have a great influence on U.K. grain returns to producers unless the target indicator prices are increased significantly.

At the time the new system was introduced, the market price for barley had not averaged less than the barley target indicator price in any of the years since 1954–55, the first year in which prices were decontrolled. In only 3 years had the wheat market price been below the selected wheat target indicator price of £20. These years were 1957–58, 1960–61, and 1962–63. In each of these 3 years, c.i.f. U.K. prices of French milling wheat were £1 to £1½ (\$0.07 to \$0.105 per bu.) below the floor price which is applicable to European milling wheat under the new minimum import price system. Because of this experience, it does not appear likely that barley market prices will fall below the target indicator price of barley, and the chances appear poor also for wheat prices to fall below the wheat target indicator price.

The schema for the reduction of deficiency payments when production exceeds the standard quantity also suggests that the standard-quantity effect on U.K. grain producer returns will be very modest. For example, if it is assumed that the domestic market prices will remain equal to or above the target indicator prices, barley production as much as 50 percent above the standard quantity will cause per unit producer returns to be only 8½ percent below the level they would be if production had equaled the standard quantity.

Calculations of hypothetical producer returns at alternative levels of production under assumed standard quantities and guaranteed prices (in this case 1964–65 levels) are instructive in appraising the potential impact of the standard quantities on producer returns. For simplicity, market prices are assumed to be equal to a target indicator price of \$1.50. Thus, with a guaranteed price of \$2.00 and production equal to an assumed standard quantity of 3.3 million tons, the deficiency payment would be \$0.50 and the producer return would be \$2.00. But if wheat production were 4.0 million tons, over 120 percent of the standard quantity, the deficiency payment would be reduced 18 percent from \$0.50 to \$0.41; this would lower producer returns from \$2.00 to \$1.91 or less than 5 percent. Similar calculations are made for barley for illustration purposes even though the individual farmers receive deficiency payments in the form of acreage rather than per unit of production payments.

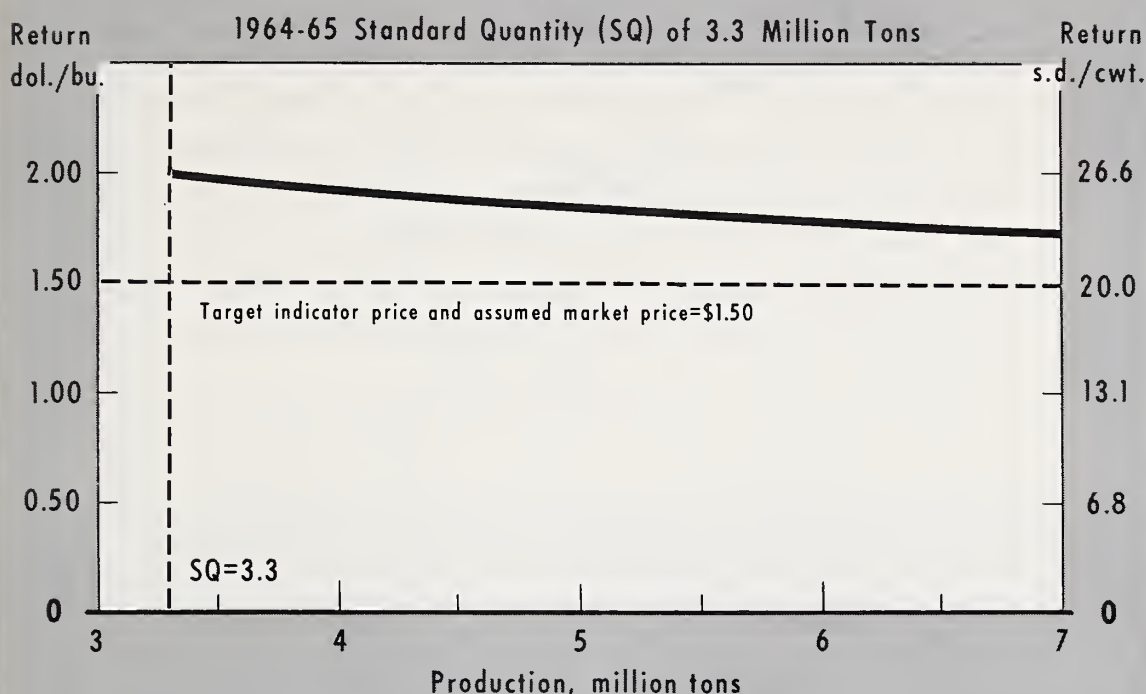
TABLE 11.—UNITED KINGDOM Hypothetical grain producer returns with assumed standard quantities (SQ)

		Wheat [SQ = 3.3 million tons]				Barley [SQ = 6.5 million tons]			
Production	SQ as part of prod.	Market price ¹	Deficiency payment	Producer return	Production	SQ as part of prod.	Market price ¹	Deficiency payment	Producer return
<i>Million tons</i>	<i>Percent</i>	<i>Dollars per bu.</i>	<i>Dollars per bu.</i>	<i>Dollars per bu.</i>	<i>Million tons</i>	<i>Percent</i>	<i>Dollars per bu.</i>	<i>Dollars per bu.</i>	<i>Dollars per bu.</i>
3.3	100.0	1.50	0.50	2.00	6.5	100.0	1.14	0.46	1.60
3.5	94.3	1.50	.472	1.972					
4.0	82.5	1.50	.412	1.912	7.0	92.9	1.14	.427	1.567
4.5	73.3	1.50	.367	1.867	7.5	86.7	1.14	.399	1.539
4.95 ²	66.7	1.50	.334	1.834					
5.0	66.0	1.50	.330	1.830	8.0	81.3	1.14	.374	1.514
5.5	60.0	1.50	.300	1.800	8.5	76.5	1.14	.352	1.492
6.0	55.0	1.50	.275	1.775	9.0	72.2	1.14	.332	1.472
6.5	50.8	1.50	.254	1.754	9.5	68.4	1.14	.315	1.455
					9.75 ²	66.7	1.14	.307	1.447
7.0	47.1	1.50	.236	1.736	10.0	65.0	1.14	.299	1.439

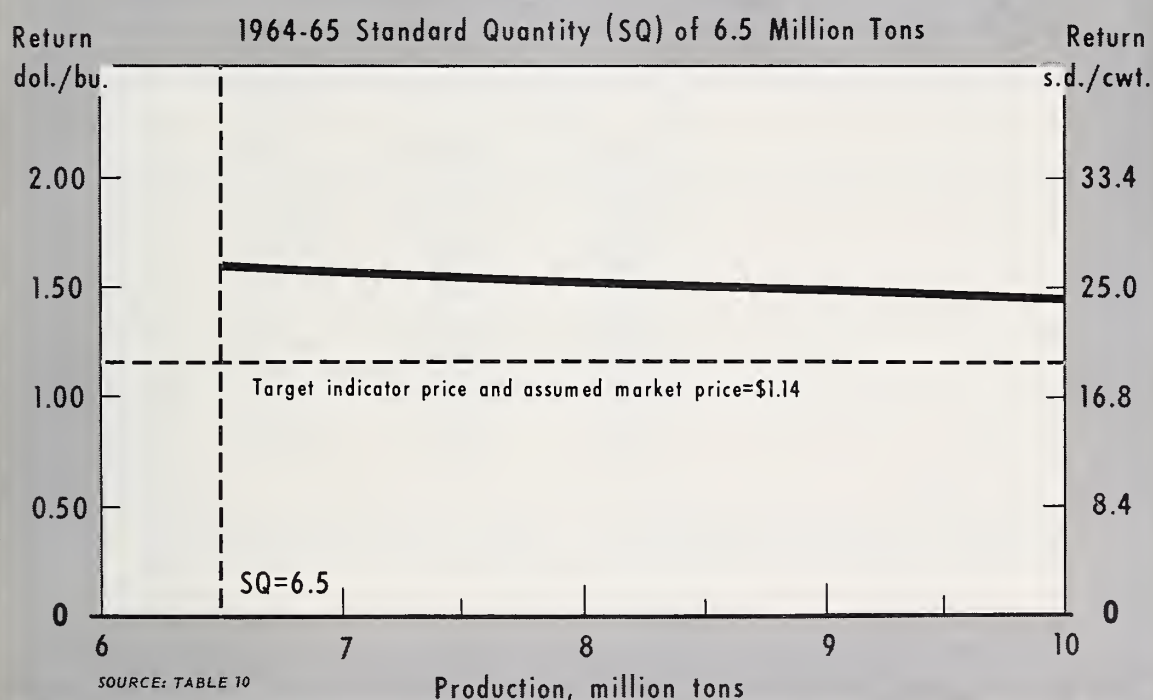
¹Market price was assumed to be equal to target prices. If the market price was above the target indicator price, the deficiency payments would be lower than those indicated. The effect of the standard quantities on producer returns would be less severe. On the other hand, to the extent the market prices were below the target indicator prices the producer returns would be correspondingly lower. The probabilities of this situation developing, however, are considered to be very small in consideration of the minimum import prices being instituted and historic U.K. domestic market prices. ²150 percent of standard quantity.

HYPOTHETICAL RETURN TO PRODUCERS PER UNIT OF WHEAT AND BARLEY

WHEAT



BARLEY



SOURCE: TABLE 10

Particularly instructive in the above calculations is that the effect of increases in production on producer return diminishes as production levels increase. For example, wheat producer returns at a 3.5-million-ton production level will under assumed conditions approximate \$1.97. They drop to \$1.91 at 4.0 million tons. But they drop only \$0.02—from \$1.775 to \$1.754 per bushel—from 6.0 to 6.5 million tons. At the same time, the total Exchequer liability for deficiency payments is unchanged.

In the British plan, the standard quantities are to serve two purposes: (1) Goal of domestic production, and (2) mechanism for restraining producer returns in order to restrain production increases. But these two purposes are not necessarily compatible, given the response to price changes and the general high level of producer returns which in the past few years has stimulated increased production. The nature of the standard-quantity mechanism is such that if it is set at the desired level of domestic production, the restraint on producer returns is nil. If the standard quantity is to exert a restraining influence at the desired level of production, it must be set at a level which will significantly reduce the price received by farmers as the standard-quantity production levels are approached.

An important aspect to remember about the standard quantities is that they are operated on a national basis. Consequently, the individual producer level of production has no significant effect on his own return, and, therefore, he has little incentive to restrain his individual output. Assuming a supply response to price, the impact on production could be significantly larger if the standard quantities were below the levels of desired production and if the standard quantities were prorated to individual producers.

TABLE 12.—UNITED KINGDOM: Cereal production

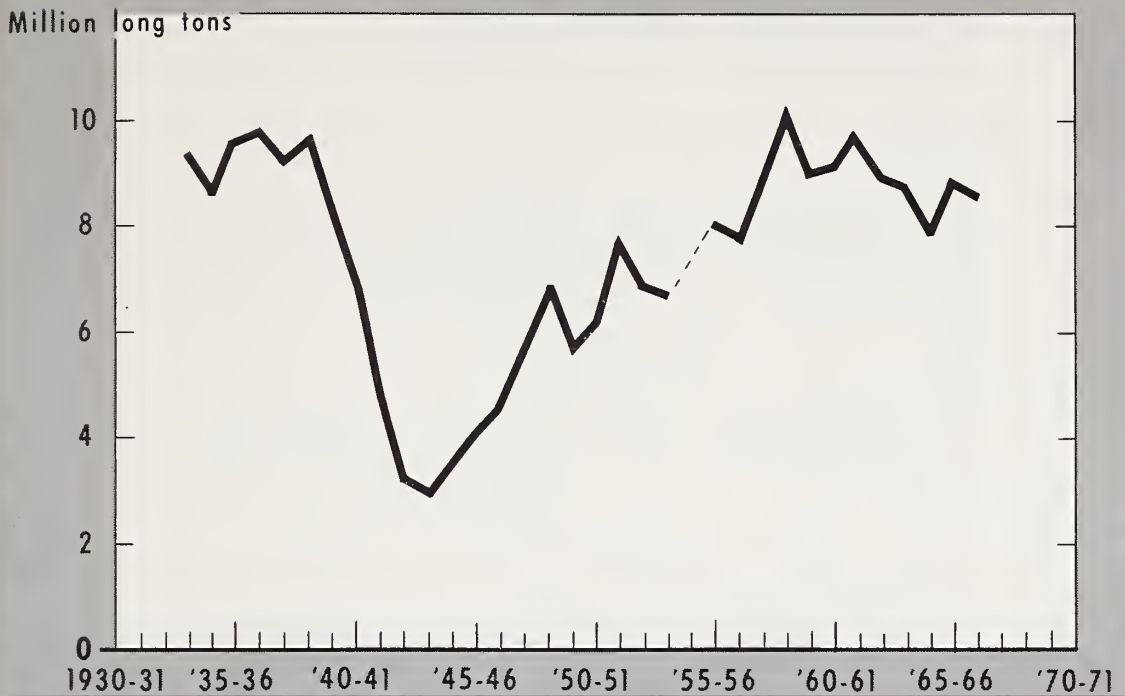
Year	Wheat	Barley	Wheat and barley	Total cereals
	<i>Million tons</i>	<i>Million tons</i>	<i>Million tons</i>	<i>Million tons</i>
1960-61	2.9	4.2	7.2	9.6
1961-62	2.6	5.0	7.6	9.7
1962-63	3.9	5.8	9.7	11.6
1963-64	3.0	6.6	9.6	11.2
1964-65	3.7	7.4	11.1	12.6
1965-66	4.1	8.1	12.2	13.5
1966-67	3.5	8.8	12.3	13.5

POST-AGREEMENT DEVELOPMENTS

Imports and Program Changes

Imports.—Developments in the U.K. Cereals Agreement have not all been in line with 1964 expectations. Grain imports continue to fall below the 3-year average of 9.1 million long tons in the base years 1961-62/1963-64. In the first year of the Agreement, 1964-65, they were only 7.9 million, in 1965-66 8.8 million and in 1966-67 estimates are 8.2 million even though U.K. exports increased substantially. In spite of these shortfalls, the standard quantities for both wheat and barley have been increased. Further, in September 1965 the Labor Government issued a White Paper calling for increased self-sufficiency in agricultural products.

TOTAL GRAIN IMPORTS



U. S. SHARE OF U.K. GRAIN IMPORTS

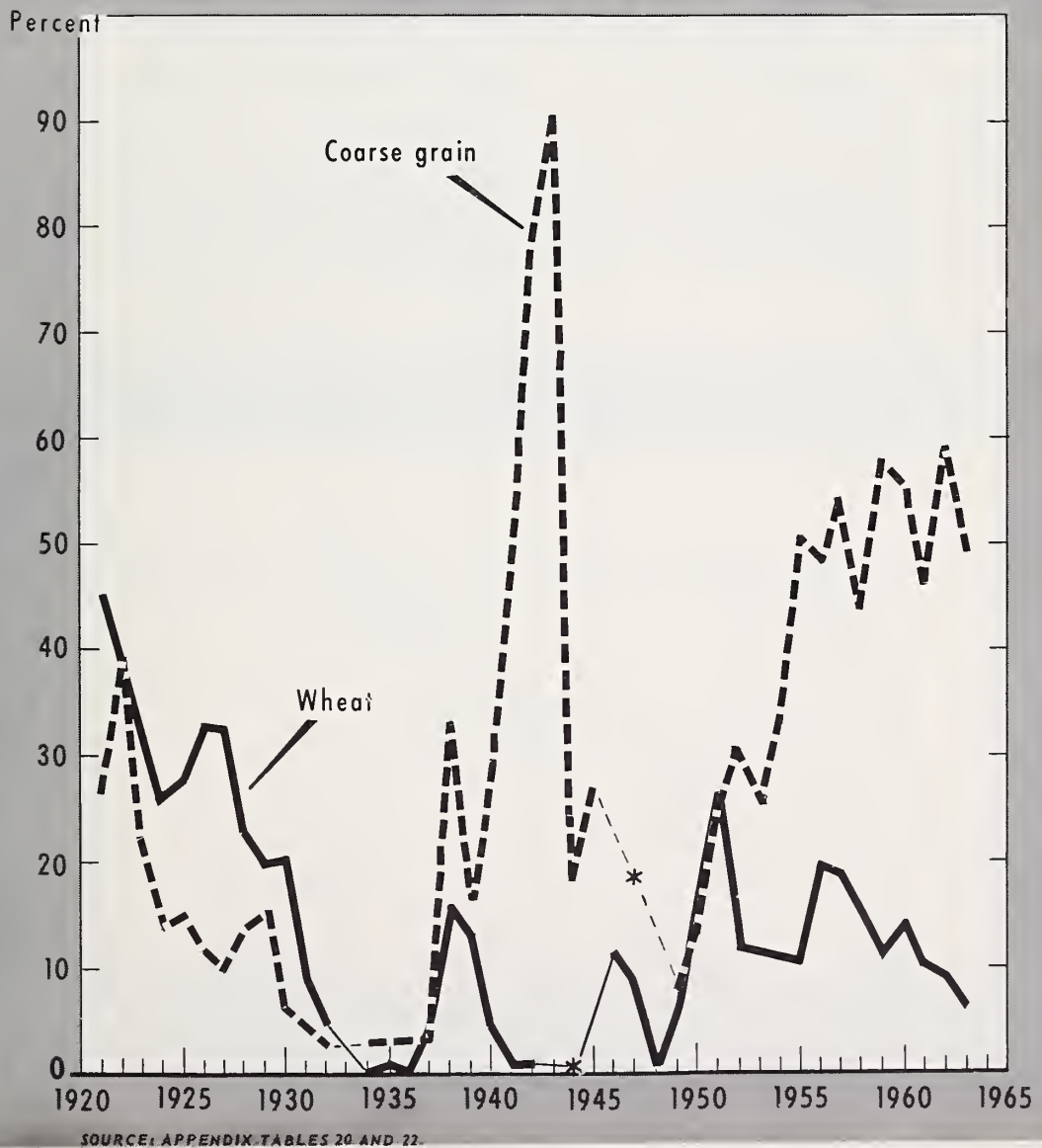


TABLE 13.—UNITED KINGDOM: Cereal imports

Country of origin	Wheat				Wheat flour			
	Avg. ¹	1964/65	1965/66	1966/67	Avg. ¹	1964/65	1965/66	1966/67
	Million metric tons	Million metric tons	Million metric tons	Million metric tons	Million metric tons	Million metric tons	Million metric tons	Million metric tons
United States -----	0.3	0.2	0.5	0.6	0.03	0.01	0.01	0.01
Canada -----	2.0	2.1	1.8	1.7	.23	.20	.16	.12
Australia -----	.6	.4	.6	.4	.05	.04	.03	.02
Argentina -----	.2	.4	.4	.2	--	--	--	--
Other -----	.8	.7	1.0	1.0	.04	.0	.08	.05
Total -----	4.0	3.8	4.3	3.9	.35	.25	.28	.20
Country of origin	Coarse grains				Total grains			
	Avg. ¹	1964/65	1965/66	1966/67	Avg. ¹	1964/65	1965/66	1966/67
	Million metric tons	Million metric tons	Million metric tons	Million metric tons	Million metric tons	Million metric tons	Million metric tons	Million metric tons
United States -----	2.4	2.0	2.5	1.9	2.8	2.2	3.0	2.5
Canada -----	.4	.5	.2	.2	2.7	2.8	2.1	2.0
Australia -----	.2	.1	.03	.03	.8	.5	.7	.5
Argentina -----	.2	.2	.06	.4	.5	.6	.4	.6
Other -----	1.4	1.0	1.4	1.6	2.2	1.9	2.6	2.6
Total -----	4.6	3.8	4.2	4.0	9.1	7.9	8.8	8.2

¹1961/62-1963/64

Ministry of Agriculture, Fisheries, and Food (MAFF).

Note: Columns do not add up to totals because of rounding.

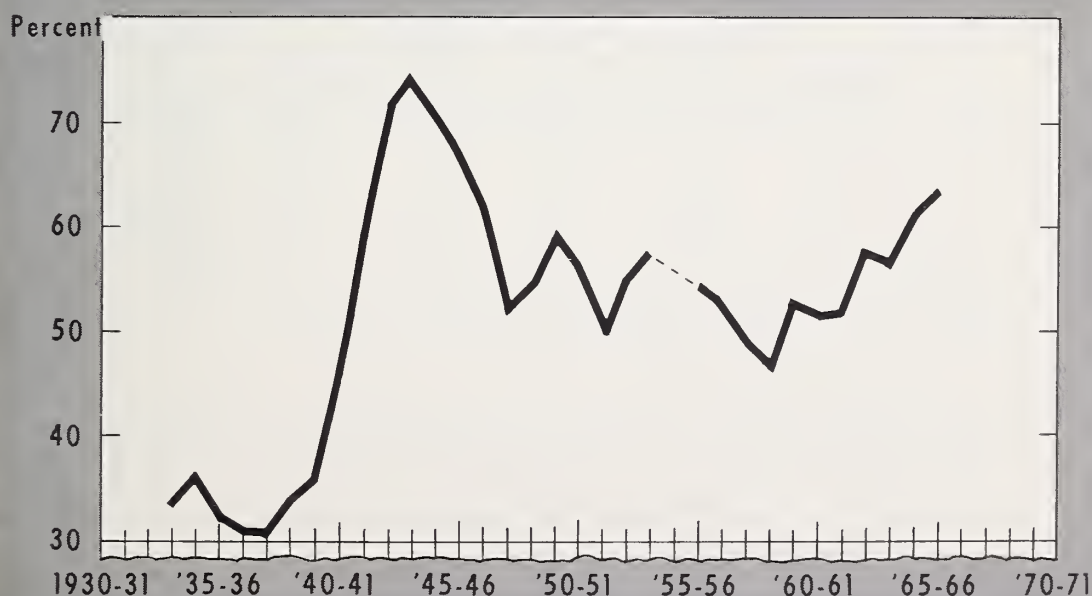
The effects of the shortfall of imports below the 9.1-million-ton base amount have varied among suppliers. Imports of U.S. cereals in 2 of the 3 years since the Agreement was signed have been less than imports from the United States in the base period. They have averaged 2.6 million tons, in comparison to an average of 2.8 million in the 3-year period 1961-62/1963-64.

Imports of Canadian cereals have averaged 2.3 million tons, in contrast to the historic average of 2.7 million.

Consumption of cereals, particularly as animal feed, has continued to increase. But production has increased even more rapidly. Both wheat and barley acreages increased rapidly to bring total U.K. grain acreage to 9.0 million acres in 1965, 15 percent above the average acreage in 1961-63, and then to 9.4 million acres in 1966. During this period, yields also increased. As a result, production in both 1965 and 1966 was 25 percent above 1961-63 average levels. Because of this sharply increasing production in contrast to more modest increases in consumption, imports as a percent of consumption have dropped to 37-39 percent, as compared with 46 percent in the 1961-62/1963-64 period.

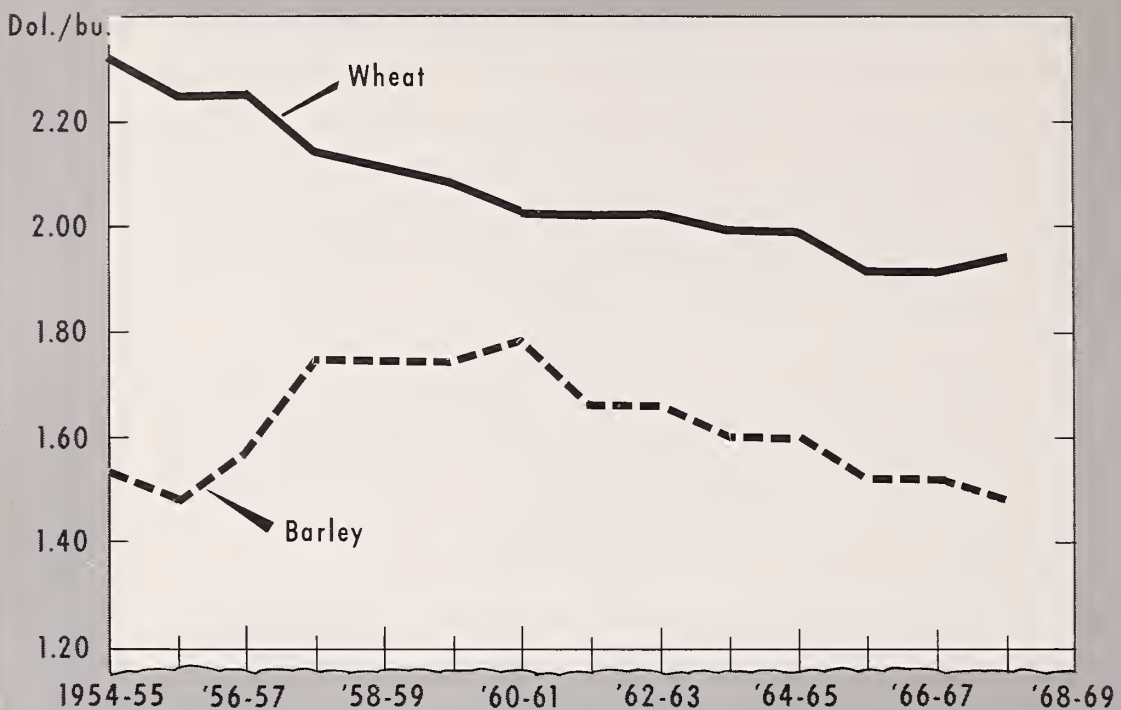
Program changes.—Adjustments have been made in various facets of the programs related to cereals. Guaranteed prices have been dropped 7s. per cwt. (\$0.05 per bu.) for wheat and 1s.11d. per cwt. (\$0.12 per bu.) for barley. At least partially offsetting these changes, however, were increases in the standard quantities. The wheat standard quantity was increased from 3.3 million to 3.75 million tons. For barley, it was increased from 6.5 million to 7.85 million tons.

GRAIN PRODUCTION AS A PERCENTAGE OF CONSUMPTION



SOURCE: APPENDIX TABLE 18.

GUARANTEED PRICES



SOURCE: APPENDIX TABLE 13.

Action has also been taken on two other policy programs of importance to cereals. In the 1965 annual review, the guaranteed prices for beef were increased, and fertilizer and lime subsidies were decreased slightly. Again in 1966, the guaranteed price for fat cattle was increased. Lime subsidies were reduced somewhat, and the grant for plowing of land which has been under grass for 3 years was dropped from £5 (\$14.00) per acre to £2 10s. 0d. (\$7.00) per acre.

TABLE 14.—UNITED KINGDOM: Cereal production and standard quantities

Year	Wheat		Barley		Wheat and barley		Total cereals
	Production	Standard quantity	Production	Standard quantity	Production	Standard quantity	
1964/65-----	3.7	3.3	7.4	6.5	11.1	9.8	12.6
1965/66-----	4.1	3.4	8.1	6.75	12.2	10.15	13.5
1966/67-----	3.5	3.65	8.8	7.35	12.3	11.00	13.5
1967/68-----	--	3.75	--	7.85	--	11.60	--

See Appendix tables for production in earlier years.

Levies

Thus far, levies have not been assessed on U.K. imports from the United States. However, prospective levies have been introduced at times for some of the U.S. wheats. Prospective levies have also been introduced at times for wheat from Argentina and France and for Canadian white wheats. However, with the exception of a very short period during which levies were assessed



Farmers combine oats and barley on steep hills of British farm.

on wheat from the Continent, levies have not been assessed on imports from cooperating countries.

On the other hand, general levies have been utilized often and have been applied to wheat, barley meal, and various rolled, flaked, and crushed grains.

The Plan

In September 1965, the government published a National Plan.¹⁷ This plan portends an increase in U.K. cereals self-sufficiency.¹⁸ While the government claims that no definite production targets have been fixed,¹⁹ the National Plan nevertheless included estimates of the technical possibilities and strongly implied the “desirability” of expanding cereal production to 17.2 million tons by 1970, 4.7 million tons above 1965 production. The increase would largely involve feed grains and thus be of vital importance to U.S. exports.

The 1966 annual review states: “No definite targets have been set. . . . But the agricultural industry should be able to meet a major part of the additional demand expected by 1970. . . .”²⁰ However, later it is stated: “The production objectives of the Plan have been among the main considerations affecting the determinations of this Review.”²¹

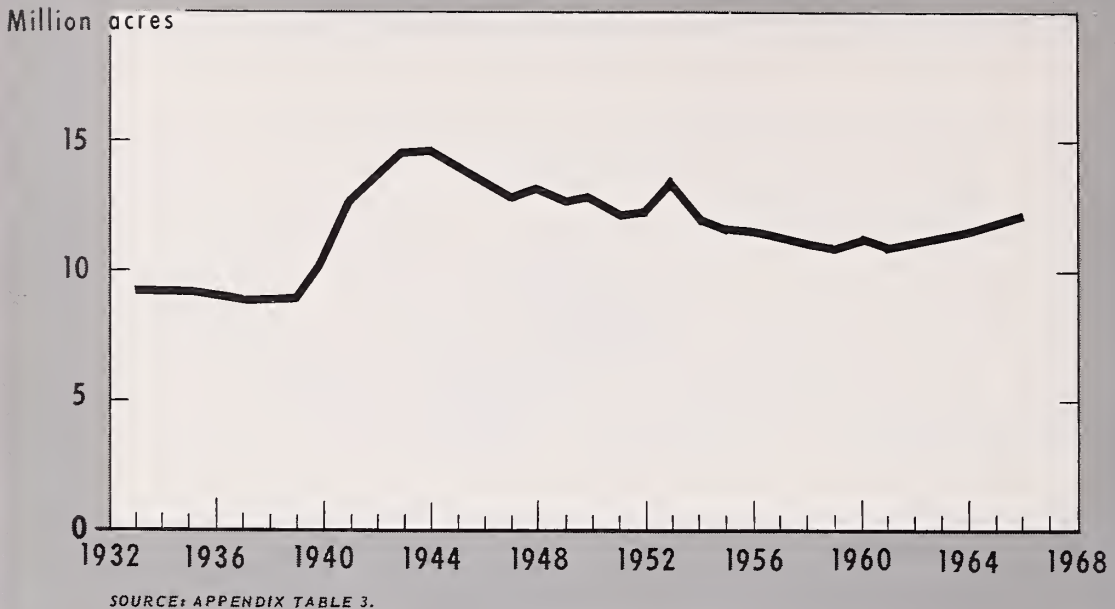
¹⁷*National Plan* Cmnd. 2764, September 1965.

¹⁸See Oyloe, Turner L. “Britain Moves Toward Greater Self-Sufficiency in Cereals,” *Foreign Agriculture*, Nov. 22, 1965, pp. 5, 15. (This section depends heavily on Oyloe’s article.)

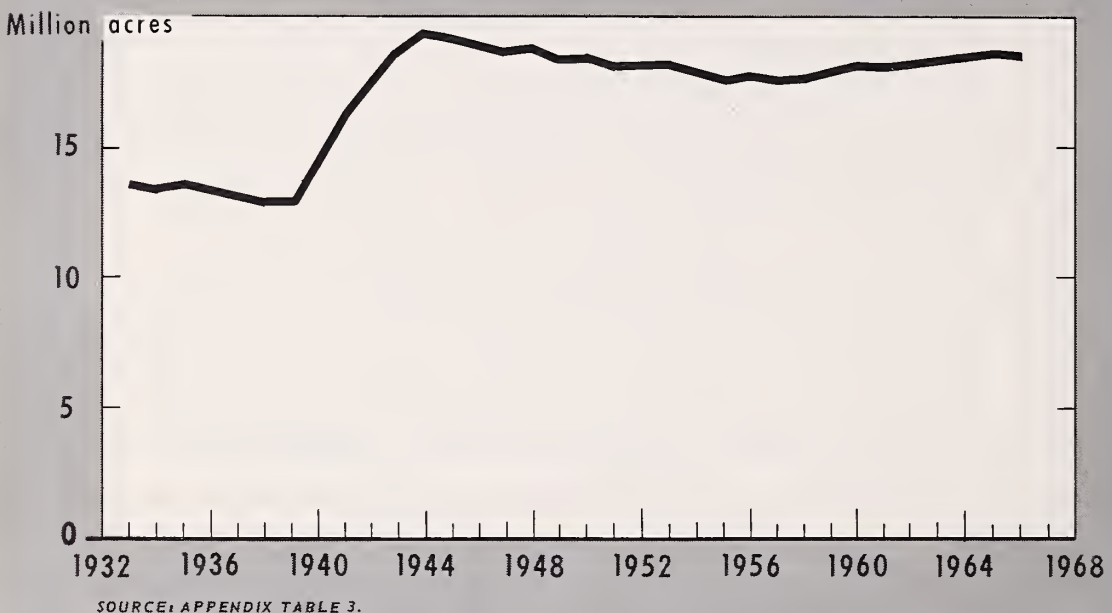
¹⁹*Annual Review and Determination of Guarantees*, 1956, Cmnd. 2933, p. 5.

²⁰*Ibid.* p. 5 ²¹*Ibid.* p. 6

AREA OF CROPS AND FALLOW



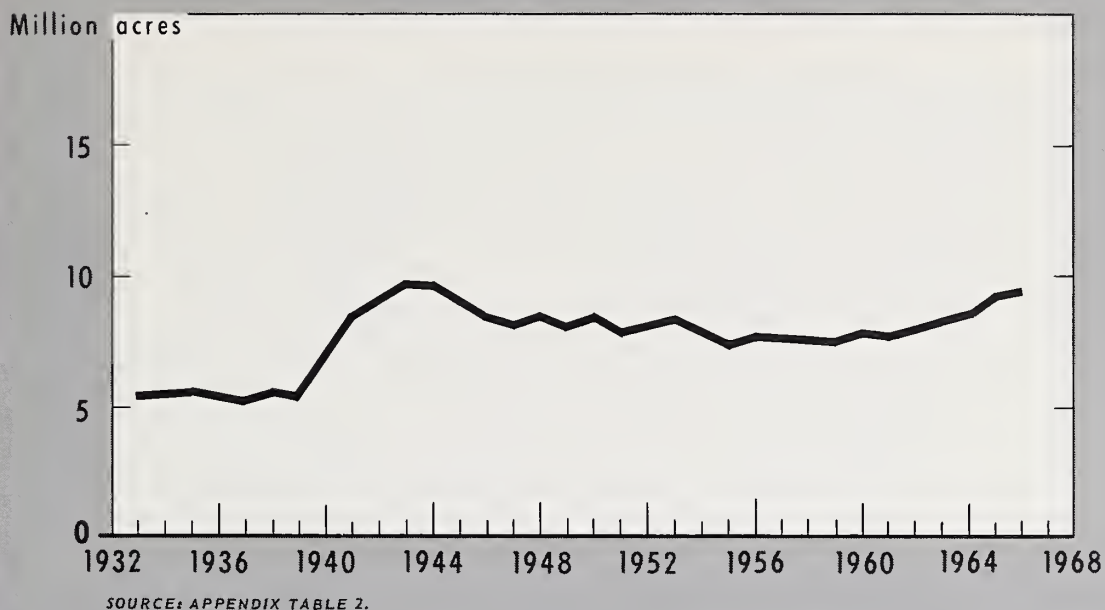
AREA OF ARABLE LAND



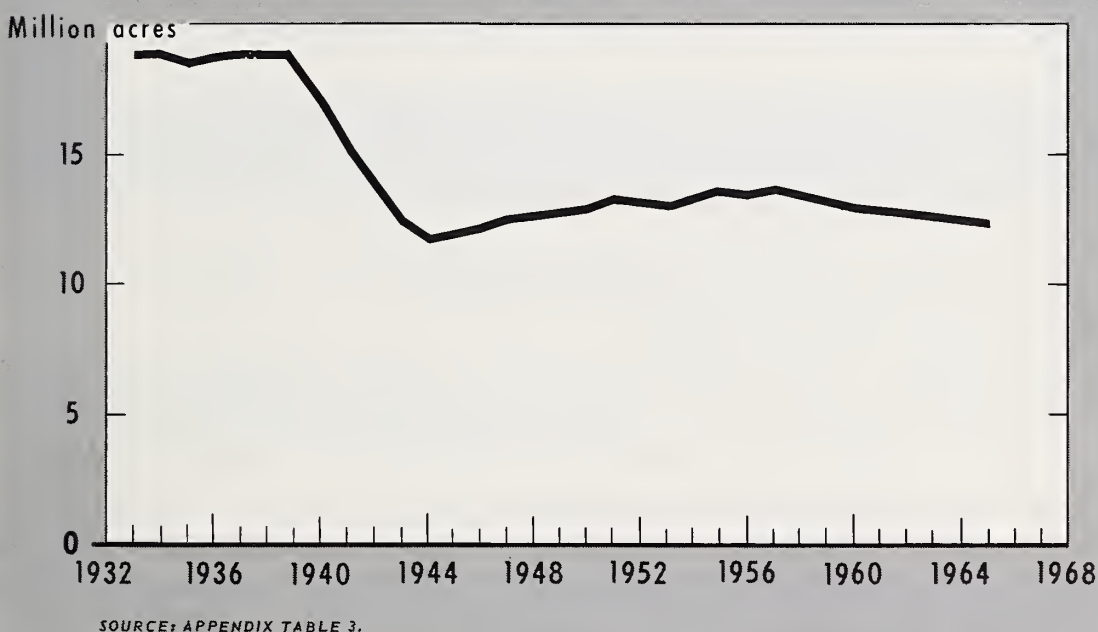
Thus the Plan does appear to incorporate government objectives and has become the basis for government action. In announcing the Plan in the fall of 1965, it was indicated that, in view of the objectives for increased domestic production of grain, the standard quantities for wheat and for barley would not be reduced below the 1965 crop levels. Rather, the standard quantities for both these grains would be increased.

Oyloe concluded that the farmers have been given an informal commitment from the government that "... between now and 1970, increases in production will not significantly reduce the level of price supports and the increased efficiencies will be passed

AREA OF ALL CEREALS



AREA OF PERMANENT GRASSLAND



along as higher farm incomes rather than lower consumer prices.”²²

Oyloe estimates that barley acreage would need to increase from 1965 levels of 5.4 million acres to 7 million acres, wheat acreage would be unchanged, oats acreage would decline approximately 200,000 acres, and mixed-grain acreage would probably decline slightly, giving a net change in cereal acreage of 1.4 million acres. This change would represent an increase of 16 percent from the acreage levels of 1965.

²²Oyloe, op. cit., p. 5.

CROP AREA RELATIONSHIPS



Yields would need to continue to increase at about the same rate as in the past 15 years.

In appraising the possible expansion, the government states: "The desired expansion of output represents annual rates of increase in net output and release of manpower broadly similar to those achieved in the last four years."²³

Desire to save foreign exchange, coupled with prospective increases in demand for meat, appear to be overriding considerations in calling for increased cereal production.

The government is encouraging the production of meat, particularly beef. Demand for meat is expected to increase 357,000 tons by 1970, with an associated increase of 2.6 million tons in consumption of feed grains. When combined with other increases in cereal consumption, an increase of about 3.1 million tons would be involved. In comparison to a possible production increase of 4.7 million tons, a reduction in U.K. cereal imports is indicated, with a possible increase in self-sufficiency to more than 70 percent against approximately 55 percent in the 3 years 1961-62 through 1963-64.

²³*Annual Review, and Determination of Guarantees*, 1966, Cmnd. 2933, pp. 5, 6.



Signs in grain field show current emphasis on self-sufficiency.

Thus, British cereal policy still appears to be focused on increased self-sufficiency. Although many adjustments and modifications have been made in the policy since World War II, they do not suggest a change in the primary policy goal.

APPENDIX I

1964 Exchange of Notes

Table of Minimum Import Prices

No. 7

Her Majesty's Minister of State for Foreign Affairs to the Ambassador of the United States of America.

*Foreign Office.
April 15, 1964*

YOUR EXCELLENCY,

I should like to refer to previous exchanges and discussions between representatives of the Government of the United Kingdom of Great Britain and Northern Ireland (hereinafter referred to as "the Government of the United Kingdom") and of the Government of the United States of America (hereinafter referred to as "the Government of the United States") regarding the changes which the Government of the United Kingdom propose to introduce in their production and trade policies relating to cereals. In framing their proposals the Government of the United Kingdom have had in mind their responsibility for maintaining conditions under which a stable and efficient agricultural industry in the United Kingdom can develop its prosperity and also their responsibility as one of the major importers of cereals in the world towards their overseas cereals suppliers.

2. The Government of the United Kingdom have also taken into account

that they, and the Governments of other countries who are major importers and exporters of cereals, are at present taking part in discussions in the Cereals Group of the General Agreement on Tariffs and Trade convened for the negotiation of appropriate international arrangements for cereals under the terms of the resolution of Ministers at the Ministerial Meeting of the General Agreement on Tariffs and Trade, 21st May, 1963. It was not the desire or intention of the Government of the United Kingdom to put forward proposals which might in any way hamper that work, but rather to introduce arrangements so designed as to further the main objectives which both the Government of the United Kingdom and the Government of the United States desire to achieve.

3. Our two Governments are agreed that these main objectives are that the world market for cereals should be improved through the establishment of a better and more economic balance between world supplies and commercial demand, and that to this end there should be the provision of acceptable conditions of access into world markets for cereals in the furtherance of a significant development and expansion of world trade in cereals. We are also agreed on the importance of the assurance of supplies of cereals, cereal products and by-products at equitable and stable prices; and of the creation of greater stability in the levels of international prices for them. These objectives should be sought in such ways as would take into account the interests both of producers and consumers and of importing and exporting countries.

4. Pending the conclusion of long-term international cereals arrangements, the Government of the United Kingdom have declared their intention of introducing adaptations into their existing cereals policy with the objectives of promoting greater stability in the United Kingdom cereals market, and of maintaining a fair and reasonable balance between home production and imports. This balance would be broadly based upon the present supplies to the United Kingdom market from domestic production on the one hand and cereals imports on the other, and as regards the future growth of the United Kingdom market would provide the opportunity for both domestic producers and overseas suppliers to share in this in a fair and reasonable way. The intentions of the Government of the United Kingdom with respect to the balance between domestic production and imports and the domestic guarantee arrangements for the year 1964-65 are set forth in paragraph 6 below. The balance for subsequent years will be reconsidered in the light of supply and marketing conditions, including the relative efficiency of suppliers, and changes therein, and to this end the Government of the United Kingdom shall consult with the Government of the United States and the Governments of other principal co-operating countries in accordance with the review procedure in paragraph 10.

5. The measures which the Government of the United Kingdom intend to introduce for securing the objectives in paragraph 4 above are: first, to restrain financial assistance so as to discourage the increase of domestic cereals production above a level consistent with these objectives, and second to operate, in co-operation with their principal overseas suppliers, a system of minimum import prices for the main cereals, cereal products, and by-products.

6. The Government of the United Kingdom have decided that any necessary restraint of financial assistance should be applied through the effective reduction of guaranteed prices by means of the price mechanisms described in the United Kingdom White Paper on the Annual Review for 1964-65. These mechanisms would in the case of wheat start to operate when produc-

tion exceeded 3·2 million tons and would operate fully when production exceeded 3·3 million tons and in the case of barley would start to operate when production exceeded 6·3 million tons and would operate fully when production exceeded 6·5 million tons. The range of wheat and barley production aimed at would therefore be from 9·5 to 9·8 million tons. Other cereals production, which is declining, is at present about 1·5 million tons. Total consumption of cereals (including wheat equivalent of flour) is expected to rise to 20·5 million tons in 1964-65 and to continue increasing thereafter. In accordance with the objectives in paragraph 4 above, the annual volume of imports of cereals (including wheat equivalent of flour) should, on average taking one year with another, increase above the present level of about 9 million tons as the United Kingdom market expands. On the basis of the above estimate of consumption, the volume of imports of cereals (including wheat equivalent of flour) in 1964-65 would, if domestic production did not exceed the ranges for wheat and barley stated above, be about 9·2 to 9·5 million tons. Changes in the above data shall be considered each year under the review procedure in paragraph 10 with a view to securing a fair and reasonable balance between home production and imports. It is the intention of the Government of the United Kingdom that changes in their domestic guarantee arrangements should be made as necessary so that these arrangements are effective for the purposes described in paragraph 4 above.

7. The Government of the United Kingdom, after consultation with the Government of the United States and other co-operating Governments, have advised the Government of the United States of the cereals, cereal products and by-products for which, subject to the approval of Parliament, it is proposed initially to specify minimum import prices, and these are set out in the attached agreed Annex. As regards the minimum import prices to be applied to the initial range of products the Government of the United Kingdom have consulted the Government of the United States and other co-operating Governments and it is understood that if the prices prescribed are as agreed, they will be acceptable to the Government of the United States. Any subsequent changes shall be a matter for joint consultation between the Government of the United Kingdom and the principal co-operating Governments, and as regards any changes which affect the particular interests of the Government of the United States, the Government of the United Kingdom shall seek the agreement of the Government of the United States. In addition, the Government of the United Kingdom shall not make any significant change in the general level of minimum import prices except after agreement with the Government of the United States and other principal co-operating Governments.

8. The Government of the United Kingdom shall take action to maintain the levels of the prescribed minimum import prices by such levies on imports as may be necessary for this purpose. Subject to your confirmation of the willingness of the Government of the United States to co-operate in these arrangements, the Government of the United Kingdom shall exempt from levies all imports of products in the attached Annex which originated in and were consigned from the United States to the United Kingdom except in the following circumstances:

- (i) When the general level of offering prices to the United Kingdom market from the United States for any product in the attached Annex is (after taking into account any customs duty chargeable) below the appropriate prescribed minimum import price for that product, the Government of the United Kingdom may, after notifying the Government of the United States, apply a levy generally

equivalent to the difference between the two to that product for so long as such conditions make it necessary.

- (ii) When an individual parcel of any product in the Annex originated in and was consigned from the United States to the United Kingdom and the price paid for that parcel, together with any customs duty chargeable and any levy applicable under sub-paragraph (i) above is less than the appropriate minimum price, a levy equal to the difference between the two may be applied.

In the circumstances described in sub-paragraphs (i) and (ii) above such levies may be applied by the Government of the United Kingdom notwithstanding their commitments to the Government of the United States with respect to the products listed in the Annex, as specified in Schedule XIX annexed to the General Agreement on Tariffs and Trade. It is also the intention of the Government of the United Kingdom that in the implementation of these arrangements suitable provision shall be made to avoid prejudice to normal trade practices of forward contracting.

9. The Government of the United Kingdom shall review the minimum import price arrangements before the beginning of each crop year commencing on the 1st July, or on request during a crop year, in consultation with the Government of the United States and other co-operating Governments.

10. The Government of the United Kingdom shall, not later than the beginning of December in each year, start to review in consultation with the Government of the United States and other principal co-operating Governments the extent to which the objectives set out in paragraphs 3 and 4 of this Note are, having regard to all relevant factors, being achieved.

11. If it is found as a result of a review of the minimum import price arrangements under paragraph 9 that they have resulted in an appreciable distortion of the pattern of trade in the products which this Note covers between co-operating Governments supplying the United Kingdom and in consequence have damaged or threaten to damage the trade interests of the Government of the United States, the Government of the United Kingdom shall take effective corrective action in consultation with the Government of the United States and other co-operating Governments and in accordance with the procedures outlined in paragraph 7 to remedy the situation. In addition, consultation will take place between the Government of the United Kingdom and co-operating Governments and if it is thereby found that the total imports of cereals (including the wheat equivalent of wheat flour) have shown or threaten to show an appreciable decline below the average volume of such imports during the three years preceding 1st July, 1964, and that this decline has taken place or threatens to take place because the changes outlined in paragraph 5 have failed to be effective for the purpose of maintaining that volume of imports. The Government of the United Kingdom shall take effective corrective action at the earliest practicable time to remedy the situation.

12. The Government of the United Kingdom believe that the introduction of the measures outlined in this Note for the purpose of attaining the objectives in paragraph 4 above would further the prospects of attaining the longer term objectives set out in paragraph 3 for the attainment of which the Government of the United Kingdom and the Government of the United States will be working. Accordingly, any arrangements contained in this Exchange of Notes shall be without prejudice to, and indeed are intended to facilitate the negotiation of, international cereals arrangements embodying more comprehensive commitments by all participating countries, whether importing or exporting. Moreover, it is understood that any measures taken

as a result of this Exchange of Notes shall be terminated in so far as it is mutually agreed that they may be inconsistent with, or superseded by, the provisions of such later international arrangements of which both the Government of the United Kingdom and the Government of the United States are parties.

13. It is the intention of the Government of the United Kingdom so to operate the minimum import price system that it shall not result in an impairment of the benefits enjoyed by preferential suppliers from their existing preferences in the United Kingdom market. Moreover in the case of wheat flour it is the intention of the Government of the United Kingdom not to provide under minimum import price arrangements any additional advantages to millers in co-operating countries or in the United Kingdom. If it is found that either of these intentions is not fulfilled or threatens not to be fulfilled, the Government of the United Kingdom shall take effective corrective action after consultation with other co-operating Governments.

14. In the light of all these considerations it is the understanding of the Government of the United Kingdom that the Government of the United States will co-operate so far as practicable in the operation and observance of minimum import prices prescribed for the products covered in the Annex to this Note subject to the understandings set out herein.

15. If the foregoing is acceptable to the Government of the United States, I have the honour to suggest that this Note, together with its Annex, and Your Excellency's reply to that effect, shall be regarded as constituting an agreement between the two Governments which shall enter into force on this day's date and shall be terminable in the circumstances envisaged in paragraph 12 or by either Government giving not less than four months' notice in writing to the other. Consultations regarding the operation of this agreement may be held at any time at the request of either Government.

I have etc.,

DUNDEE

ANNEX COMMODITIES TO BE SPECIFIED

	Tariff heading	Description
B.N.	10.01 -----	Wheat and meslin.
B.N.	10.03 -----	Barley.
B.N.	10.04 -----	Oats.
Ex B.N.	10.05 -----	Maize other than sweet corn on the cob.
Ex B.N.	10.07 -----	Grain sorghum.
Ex B.N.	11.01 -----	Cereal flours other than rice flour.
Ex B.N.	11.02 -----	Cereal groats, cereal meals, other worked cereals and germs of cereals other than: (a) rice groats, rice meal, germ of rice and other worked rice; (b) blocked, pot and pearled barley.
Ex B.N.	23.02 -----	Bran, sharps and other residues derived from the sifting, milling or working of cereals other than of rice, and excluding the residues of leguminous vegetables.

No. 8

*The Ambassador of the United States of America to Her Majesty's Minister
of State for Foreign Affairs.*

London.

April 15, 1964

MY LORD,

I have the honor to acknowledge the receipt of Your Lordship's Note of the 15th of April, 1964, which reads as follows:

[As in No. 7]

2. In reply, I have the honor to inform you that the foregoing is acceptable to the Government of the United States of America, who therefore regard Your Lordship's Note, together with its Annex, and this Reply as constituting an Agreement between the two Governments in this matter which shall enter into force on this day's date and shall be terminable in the circumstances envisaged in paragraph 12 of Your Lordship's Note of the 15th of April, 1964, or by either Government giving not less than four months' notice in writing to the other.

Accept etc.,

DAVID BRUCE

UNITED KINGDOM: Minimum import prices of wheat and coarse grains
and of certain cereal products and byproducts.

Commodity group	Minimum import prices, c.i.f. U.K., duty paid		Main categories to be covered by the arrangements	
	<i>U.S. dol. per bu.</i>	<i>£ per long ton.</i>		
Wheat:				
Floor 6	1.9875	26. 10. 0.	Durums—Canadian Manitoba Northern Nos. 1, 2 and 3. U.S. Northern, Dark Northern and Red Springs Nos. 1 and 2 (with 14% protein guarantee).	
Floor 5	1.95	26. 0. 0.	Canadian Manitoba Northern No. 4—U.S. Northern, Dark Northern and Red Springs Nos. 1 and 2 (with less than 14% Protein guarantee). US Hard/Dark Hard Winters Nos. 1 and 2 (with 14% protein guarantee).	
Floor 4	1.895	25. 5. 0.	U.S. Hard/Dark Winters Nos. 1 and 2 (with less than 14% protein guarantee)—U.S. Hard White—Argentine—Russian.	
Floor 3	1.8375	24. 10. 0.	Australian, Canadian No. 5.	
Floor 2	1.7675	23. 10. 0.	Canadian Soft Eastern White—U.S. Soft White No. 2—U.S. Soft Red Winter No. 2.	
Floor 1	1.6875	22. 10. 0.	European milling wheats	
Coarse grains:				
Yellow maize	1.47	21. 0. 0.	S. African Yellow Plate Yellow U.S. Yellow Rhodesian S. African U.S.A. Rhodesian U.S. Yellow S. African Kaffir Corn Argentine Granifero	Romanian French Yugoslavian
Flat white maize	1.47	21. 0. 0.		
Sorghums	1.40	20. 10. 0.		
Denatured feed wheat	1.5375	20. 10. 0.		
Barley	1.20	20. 0. 0.	U.S.A. Australian Canadian Australian U.S.A.	French Iraqi/Syrian
Oats	.80	20. 0. 0.		Argentine Canadian

Mixed grains The minimum price to be 'at the level of the highest minimum price of any of the constituent grains.

Commodity group	Coverage	Minimum import price, c.i.f. U.K., duty paid		Notes
		Grade	Price	Price
Cereal products: (A) Wheat flours Ex B.N. 11.01 (b)	Wheat flours obtained from the milling of wheat	Grade A – Over 12% protein	<i>Dol. per metric ton</i> 110.23	<i>£ per long ton</i> 40
		Grade B – 10% to 12% protein cont.	99.21	36
		Grade C – under 10% protein cont.	88.18	32
		Denatured wheat flour.	63.38	23
(B) Other worked cereal products: B.N.11.01 (a) & (b) B.N. 11.02	Cereal flours excluding wheat flour and rice flour but including oat, maize and other flours. Cereal groats and meal made from wheat, oats and other cereals, excluding rice.		63.38	23
	Other worked cereal grains and germs of cereals, including rolled and flaked oats, flaked barley and other worked cereal pro-		63.38	23

Imports of flour from Australia and Canada will be

subject to special arrangements as set out in the annex to this Schedule.

Any wheat flours with a fibre content of more than 5% are to be treated as wheat meal and subject to the relevant minimum import price. Any wheat meals with a fibre content of 5% or less are to be treated as wheat flours.

Low grade maize meal is to be subject to a minimum price of £20 per ton provided the fibre content is certified as not less than 9%.

ducts (e.g. rolled, flaked, polished, pearled or kibbled but not further prep.) but excluding such products of rice and excluding pearled barley.

Commodity group	Coverage	Minimum import price c.i.f. UK, duty paid		Notes
Cereal byproducts: Wheat and other millings offals and screenings Ex B.N. 23.02	All residual by-products from the working of cereal grains (wheat, rye, barley, oats and maize) including bran, pollards, sharps and middlings, but excluding residues from the working of rice.	<i>Dol. per metric ton</i>	<i>£ per long ton</i>	The main types to be covered are the North African wheat offals, Plate offals, USSR offals, and Canadian mixed grain screenings. Low grade cereal screenings and oat bran, with a certified fibre content of not less than 15% are not to be subject to a minimum import price.
		52.36	19.00	

NOTE: Prices in U.S. dollars are calculated on the basis of £1=2.80. Since the preparation of this study, the United Kingdom has devalued the pound to an exchange rate of £1=2.40. Thus, the dollar values expressed in this study are about 14 percent higher than they would be if based on the new exchange rate.

APPENDIX II

Statistical Appendix

TABLE 1.—UNITED KINGDOM: Grain production and yields, by class, 1933–66

Year	Production					
	Wheat	Barley	Oats	Mixed grains	Rye	Total
	<i>1,000 long tons</i>	<i>1,000 long tons</i>	<i>1,000 long tons</i>	<i>1,000 long tons</i>	<i>1,000 long tons</i>	<i>1,000 long tons</i>
1933	1,672	689	2,183	85	² 10	4,639
1934	1,869	820	2,035	77	² 10	4,811
1935	1,753	735	2,079	73	10	4,650
1936	1,480	732	1,981	77	10	4,280
1937	1,509	658	1,847	77	8	4,009
1938	1,965	904	1,992	75	12	4,948
1939	1,645	892	2,003	73	10	4,623
1940	1,641	1,104	2,892	226	11	5,874
1941	2,018	1,144	3,247	438	26	6,873
1942	2,567	1,446	3,553	463	45	8,074
1943	3,447	1,645	3,064	394	95	8,645
1944	3,138	1,752	2,953	349	88	8,280
1945	2,176	2,108	3,245	372	59	7,960
1946	1,967	1,963	2,903	350	39	7,222
1947	1,667	1,619	2,509	386	22	6,203
1948	2,361	2,027	2,963	518	47	7,916
1949	2,204	2,129	2,995	646	54	8,028
1950	2,606	1,711	2,692	715	57	7,781
1951	2,316	1,939	2,616	804	47	7,722
1952	2,307	2,334	2,772	830	50	8,293
1953	2,664	2,521	2,821	845	66	8,917
1954	2,783	2,244	2,440	555	39	8,061
1955	2,599	2,936	2,709	510	19	8,773
1956	2,845	2,800	2,486	407	25	8,563
1957	2,683	2,957	2,145	325	24	8,134
1958	2,711	3,170	2,138	275	21	8,315
1959	2,785	4,016	2,187	259	13	9,260
1960	2,992	4,241	2,058	279	18	9,588
1961	2,573	4,974	1,822	169	18	9,556
1962	3,911	5,773	1,747	154	17	11,602
1963	2,998	6,599	1,438	118	22	11,175
1964	3,733	7,404	1,325	101	25	12,588
1965	4,105	8,062	1,213	91	21	13,492
1966 ⁴	3,495	8,804	1,116	93	11	13,519

Year	Yield					
	Wheat	Barley	Oats	Mixed grains	Rye	Total
	<i>U.K. cwt.¹ per acre</i>	<i>U.K. cwt.¹ per acre</i>	<i>U.K. cwt.¹ per acre</i>	<i>U.K. cwt.¹ per acre</i>	<i>U.K. cwt.¹ per acre</i>	<i>U.K. cwt.¹ per acre</i>
1933	19.2	17.0	16.5	16.3	(³)	17.4
1934	20.0	17.1	16.3	16.0	(³)	17.7
1935	18.6	16.9	16.5	15.3	12.2	17.3
1936	16.4	16.4	15.8	15.4	12.1	16.0
1937	16.4	14.5	16.1	16.2	12.0	15.6
1938	20.4	18.3	16.6	15.9	13.5	18.2
1939	18.6	17.6	16.5	17.1	13.7	17.4
1940	18.1	16.5	17.0	17.2	12.6	17.2
1941	17.8	15.5	16.4	16.1	13.2	16.6
1942	20.4	18.9	17.2	17.1	15.4	18.4

TABLE 1.—UNITED KINGDOM: Grain production
and yields, by class, 1933-66—Continued

Year	Production					
	Wheat	Barley	Oats	Mixed grains	Rye	Total
1943	19.9	18.4	16.7	15.8	14.8	18.1
1944	19.5	17.8	16.2	16.5	14.7	17.6
1945	19.1	19.0	17.3	16.8	14.7	18.2
1946	19.1	17.8	16.3	15.3	14.2	17.3
1947	15.4	15.7	15.2	15.5	12.5	15.4
1948	20.7	19.5	17.8	17.3	15.5	18.9
1949	22.5	20.7	18.4	19.0	16.8	20.0
1950	21.0	19.2	17.3	17.1	16.1	18.8
1951	21.7	20.3	18.3	19.3	17.4	19.8
1952	22.7	20.5	19.2	19.9	17.9	20.5
1953	24.0	22.7	19.9	21.0	19.5	21.9
1954	22.7	21.7	18.9	18.5	17.9	20.8
1955	26.7	25.6	21.0	22.0	20.0	24.0
1956	24.8	24.1	19.4	19.5	19.4	22.5
1957	25.4	22.6	18.3	19.4	18.9	21.9
1958	24.6	23.0	19.3	19.6	18.6	22.3
1959	28.9	26.3	21.6	22.4	19.2	25.5
1960	28.5	25.2	20.9	21.7	19.9	25.0
1961	28.2	26.0	21.1	23.0	19.3	25.3
1962	34.7	29.0	23.0	24.6	18.9	29.4
1963	31.1	28.0	22.2	23.8	20.9	27.7
1964	31.9	28.4	24.5	24.4	21.9	29.7
1965	32.4	29.9	23.9	24.9	23.3	29.9
1966 ⁴	31.2	28.7	24.6	25.5	22.0	38.9

¹112 pounds. ²Assumed. ³Not available. ⁴Preliminary estimate.

MAFF, Annual Abstracts of Statistics; *Annual Review and Determination of Guarantees*, miscellaneous issues.

TABLE 2.—UNITED KINGDOM: Area of grains, by class, 1933-66

Year	Wheat	Barley	Oats	Mixed grain	Rye	Total	Coarse grains	Wheat of total	Coarse grain of total
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	Percent	Percent
1933	1,745	813	2,639	106	23	5,326	3,581	32.8	67.2
1934	1,866	959	2,498	99	20	5,442	3,576	34.3	65.7
1935	1,882	871	2,518	96	23	5,390	3,508	34.9	65.1
1936	1,805	894	2,514	100	22	5,335	3,530	33.8	66.2
1937	1,836	906	2,299	95	19	5,155	3,319	35.6	64.4
1938	1,928	988	2,395	95	17	5,423	3,495	35.6	64.4
1939	1,766	1,013	2,427	85	14	5,305	3,539	33.3	66.7
1940	1,809	1,339	3,399	262	17	6,826	5,017	26.5	73.5
1941	2,265	1,475	3,951	544	41	8,276	6,011	27.4	72.6
1942	2,516	1,528	4,133	546	59	8,782	6,266	28.6	71.4
1943	3,464	1,786	3,680	501	129	9,560	6,096	36.2	63.8
1944	3,220	1,973	3,656	424	120	9,393	6,173	34.3	65.7
1945	2,274	2,215	3,753	443	80	8,765	6,491	25.9	74.1
1946	2,062	2,211	3,567	458	55	8,353	6,291	24.7	75.3
1947	2,163	2,060	3,308	498	35	8,064	5,901	26.8	73.2
1948	2,279	2,083	3,335	598	61	8,356	6,077	27.3	72.7
1949	1,963	2,060	3,252	680	64	8,019	6,056	24.5	75.5
1950	2,479	1,778	3,105	838	71	8,271	5,792	30.0	70.0
1951	2,131	1,908	2,857	836	54	7,786	5,655	27.4	72.6
1952	2,030	2,281	2,882	838	56	8,087	6,057	25.1	74.9
1953	2,217	2,226	2,840	804	68	8,155	5,938	27.2	72.8
1954	2,457	2,063	2,588	602	44	7,754	5,297	31.7	68.3
1955	1,948	2,296	2,581	463	19	7,307	5,359	26.7	73.3
1956	2,293	2,323	2,564	418	26	7,624	5,331	30.1	69.9
1957	2,113	2,622	2,348	336	26	7,445	5,332	28.4	71.6
1958	2,208	2,755	2,217	281	23	7,484	5,276	29.5	70.5
1959	1,929	3,059	2,032	234	14	7,268	5,339	26.5	73.5
1960	2,102	3,372	1,974	203	19	7,670	5,568	27.4	72.6
1961	1,827	3,828	1,733	147	19	7,554	5,727	24.2	75.8
1962	2,256	3,987	1,519	125	18	7,905	5,649	28.6	71.4
1963	1,928	4,713	1,295	99	21	8,056	6,128	23.9	76.1
1964	2,206	5,032	1,125	80	21	8,464	6,258	26.1	73.9
1965	2,535	5,395	1,014	73	18	9,035	6,500	28.1	71.9
1966	2,238	6,130	907	73	10	9,358	7,120	23.9	76.1

MAFF, Annual Abstracts of Statistics; Annual Review and Determination of Guarantees, miscellaneous issues.

TABLE 3.—UNITED KINGDOM: Area of crops and grassland,¹ 1933–1966

Year	Total crops & grass	Arable lands	Permanent grassland	Total crops & fallow	Total grains
	<i>1,000 acres</i>	<i>1,000 acres</i>	<i>1,000 acres</i>	<i>1,000 acres</i>	<i>1,000 acres</i>
1933 -----	32,193	13,449	18,744	9,223	5,326
1934 -----	32,096	13,370	18,726	9,246	5,442
1935 -----	32,024	13,488	18,536	9,115	5,390
1936 -----	31,932	13,219	18,713	9,042	5,335
1937 -----	31,827	13,087	18,740	8,797	5,155
1938 -----	31,755	12,957	18,798	8,989	5,423
1939 -----	31,679	12,906	18,773	8,813	5,305
1940 -----	31,430	14,346	17,084	10,486	6,826
1941 -----	31,353	16,240	15,114	12,714	8,276
1942 -----	31,204	17,497	13,706	13,666	8,782
1943 -----	31,058	18,728	12,330	14,509	9,560
1944 -----	31,008	19,273	11,735	14,548	9,393
1945 -----	31,023	19,183	11,840	13,849	8,765
1946 -----	31,010	18,980	12,030	13,300	8,353
1947 -----	31,022	18,531	12,404	12,880	8,064
1948 -----	31,062	18,664	12,398	13,180	8,356
1949 -----	31,056	18,369	12,687	12,643	8,019
1950 -----	31,126	18,356	12,770	12,751	8,271
1951 -----	31,132	17,998	13,134	12,118	7,786
1952 -----	31,163	18,104	13,059	12,261	8,087
1953 -----	31,177	18,107	12,953	12,304	8,155
1954 -----	31,128	17,863	13,214	11,832	7,754
1955 -----	31,103	17,542	13,532	11,301	7,307
1956 -----	31,092	17,610	13,471	11,485	7,624
1957 -----	31,030	17,524	13,502	11,176	7,445
1958 -----	31,001	17,516	13,485	11,165	7,484
1959 -----	30,873	17,760	13,113	10,912	7,268
1960 -----	30,860	18,051	12,809	11,182	7,670
1961 -----	30,638	17,955	12,683	10,871	7,554
1962 -----	30,655	18,099	12,556	11,077	7,905
1963 -----	30,644	18,212	12,432	11,199	8,056
1964 -----	30,686	18,382	12,305	11,496	8,464
1965 -----	30,660	18,523	12,138	11,950	9,035
1966 -----	(²)	18,484	(²)	12,204	9,358

¹At June of each year. ²Not available.MAFF, Annual Abstracts of Statistics; *Annual Review and Determination of Guarantees*, miscellaneous issues.

TABLE 4.—UNITED KINGDOM: Output and imports of eggs, prewar average, annual 1946-47/1966-67

Year	Output for human consumption	Imports, shell eggs	Total ¹	Output as percent of total
	<i>Mil. doz.</i>	<i>Mil. doz.</i>	<i>Mil. doz.</i>	<i>Percent</i>
Prewar avg. -----	545	267	812	67.1
1946-47 -----	451	95	546	82.6
1947-48 -----	471	141	612	77.0
1948-49 -----	566	176	742	76.3
1949-50 -----	658	204	862	76.3
1950-51 -----	692	120	812	85.2
1951-52 -----	664	115	779	85.2
1952-53 -----	705	126	831	84.8
1953-54 -----	764	126	890	85.8
1954-55 -----	793	100	893	88.8
1955-56 -----	828	60	888	93.2
1956-57 -----	908	25	933	97.3
1957-58 -----	949	14	963	98.5
1958-59 -----	1,020	18	1,038	98.3
1959-60 -----	1,069	17	1,086	98.4
1960-61 -----	1,043	46	1,089	95.8
1961-62 -----	1,093	28	1,121	97.5
1962-63 -----	1,092	34	1,126	97.0
1963-64 -----	1,146	22	1,168	98.1
1964-65 -----	1,219	20	1,239	98.4
1965-66 -----	1,165	21	1,186	98.3
1966-67 ² -----	1,189	19	1,208	98.4

¹Does not include imports of egg products, which were equivalent to 79 million dozen shell eggs in the prewar years of 1934-38 and 46 million in recent years. ²Forecast.

Annual Review and Determination of Guarantees, miscellaneous issues.

TABLE 5.—UNITED KINGDOM: Milk and milk products,¹ selected statistics prewar average, annual 1946-47/1966-67

Year	Liquid consump- tion	Milk products			Home mfg. of total
		Home mfg.	Imports	Total	
	<i>Mil. Gal</i>	<i>1,000 long tons</i>	<i>1,000 long tons</i>	<i>1,000 long tons</i>	<i>Percent</i>
Prewar avg. ---	991	332	731	1,063	31.2
1946-47 -----	1,446	135	545	680	19.9
1947-48 -----	1,451	164	427	591	27.7
1948-49 -----	1,623	200	544	744	26.9
1949-50 -----	1,656	264	627	891	29.6
1950-51 -----	1,702	200	554	754	26.5
1951-52 -----	1,696	215	557	772	27.8
1952-53 -----	1,661	273	505	778	35.1
1953-54 -----	1,637	343	533	876	39.2
1954-55 -----	1,631	375	452	827	45.3
1955-56 -----	1,628	425	514	939	45.3
1956-57 -----	1,614	523	565	1,088	48.1
1957-58 -----	1,610	511	553	1,064	48.0
1958-59 -----	1,625	450	644	1,094	41.1
1959-60 -----	1,644	496	643	1,139	43.5
1960-61 -----	1,659	575	615	1,190	48.3
1961-62 -----	1,691	596	625	1,221	48.8
1962-63 -----	1,705	584	606	1,190	49.1
1963-64 -----	1,726	555	696	1,251	44.4
1964-65 -----	1,737	566	736	1,302	43.5
1965-66 -----	1,737	595	675	1,270	46.8
1966-67 ² -----	1,750	596	668	1,264	47.2

¹Butter, cheese and other products. ²Forecast.

Annual Review and Determination of Guarantees, miscellaneous issues.

TABLE 6.—UNITED KINGDOM: Meat production and imports,¹
prewar average, annual 1946-47/1966-67

Year	Home fed	Imported	Total	Home fed percent of total
	<i>1,000 long tons</i>	<i>1,000 long tons</i>	<i>1,000 long tons</i>	<i>Percent</i>
Prewar avg. -----	1,224	1,409	2,633	46.5
1946-47 -----	857	1,038	1,895	45.2
1947-48 -----	731	1,110	1,841	39.7
1948-49 -----	873	835	1,708	51.1
1949-50 -----	1,000	1,195	2,195	45.6
1950-51 -----	1,087	738	1,825	59.6
1951-52 -----	1,218	774	1,992	61.1
1952-53 -----	1,314	958	2,272	57.8
1953-54 -----	1,443	999	2,442	59.1
1954-55 -----	1,739	1,004	2,743	63.4
1955-56 -----	1,585	1,175	2,760	57.4
1956-57 -----	1,718	1,187	2,905	59.1
1957-58 -----	1,837	1,125	2,962	62.0
1958-59 -----	1,812	1,103	2,915	62.2
1959-60 -----	1,821	1,177	2,998	60.7
1960-61 -----	1,954	1,201	3,155	61.9
1961-62 -----	2,141	1,106	3,247	65.9
1962-63 -----	2,226	1,166	3,392	65.6
1963-64 -----	2,263	1,060	3,323	68.1
1964-65 -----	2,221	1,142	3,363	66.0
1965-66 -----	2,311	1,049	3,360	68.8
1966-67 ² -----	2,326	1,047	3,373	69.0

¹Including beef and veal, mutton and lamb, pork, bacon and ham, poultry meat. ²Forecast.

Annual Review and Determination of Guarantees, miscellaneous issues.

TABLE 7.—UNITED KINGDOM: Bacon, ham, and pork production and
imports, prewar average, annual 1946-47/1966-67

Year	Home fed	Imported	Total	Home fed percent of total
	<i>1,000 long tons</i>	<i>1,000 long tons</i>	<i>1,000 long tons</i>	<i>Percent</i>
Prewar avg. -----	366	445	811	45.1
1946-47 -----	102	185	287	35.5
1947-48 -----	70	168	238	29.4
1948-49 -----	143	104	247	57.9
1949-50 -----	235	270	505	46.5
1950-51 -----	256	252	508	50.4
1951-52 -----	360	220	580	62.1
1952-53 -----	456	334	790	57.7
1953-54 -----	512	335	847	60.4
1954-55 -----	652	346	998	65.3
1955-56 -----	568	327	895	63.5
1956-57 -----	568	350	918	61.9
1957-58 -----	624	369	993	62.8
1958-59 -----	668	343	1,011	66.1
1959-60 -----	621	401	1,022	60.8
1960-61 -----	634	414	1,048	60.5
1961-62 -----	679	427	1,106	61.4
1962-63 -----	741	405	1,146	64.7
1963-64 -----	752	389	1,141	65.9
1964-65 -----	807	413	1,220	66.1
1965-66 -----	858	420	1,278	67.1
1966-67 ¹ -----	765	400	1,165	65.7

¹Forecast.

Annual Review and Determination of Guarantees, miscellaneous issues.

TABLE 8.—UNITED KINGDOM: Mutton and lamb production and imports, prewar average, annual 1946-47/1966-67

Year	Home fed	Imported	Total	Home fed percent of total
	<i>1,000 long tons</i>	<i>1,000 long tons</i>	<i>1,000 long tons</i>	<i>Percent</i>
Prewar avg. -----	191	341	532	35.9
1946-47 -----	135	427	562	24.0
1947-48 -----	110	424	534	20.6
1948-49 -----	132	374	506	26.1
1949-50 -----	143	396	539	26.5
1950-51 -----	144	255	399	36.1
1951-52 -----	147	312	459	32.0
1952-53 -----	174	404	578	30.1
1953-54 -----	177	311	488	36.3
1954-55 -----	173	331	504	34.3
1955-56 -----	188	385	573	32.8
1956-57 -----	196	348	544	36.0
1957-58 -----	201	323	524	38.4
1958-59 -----	198	354	552	35.9
1959-60 -----	230	373	603	38.1
1960-61 -----	241	381	622	38.7
1961-62 -----	251	334	585	42.9
1962-63 -----	249	362	611	40.8
1963-64 -----	252	337	599	42.7
1964-65 -----	248	371	619	40.1
1965-66 -----	249	310	559	44.5
1966-67 ¹ -----	256	330	586	43.7

¹Forecast.
Annual Review and Determination of Guarantees, miscellaneous issues.

TABLE 9.—UNITED KINGDOM: Poultry meat production and imports, prewar average, annual 1946-47/1966-67

Year	Home fed	Imported	Total	Home fed percent of total
	<i>1,000 long tons</i>	<i>1,000 long tons</i>	<i>1,000 long tons</i>	<i>Percent</i>
Prewar avg. -----	89	23	112	79.5
1946-47 -----	70	27	97	72.2
1947-48 -----	78	22	100	78.0
1948-49 -----	91	31	122	74.6
1949-50 -----	95	33	128	74.2
1950-51 -----	93	30	123	75.6
1951-52 -----	95	23	118	80.5
1952-53 -----	102	22	124	82.3
1953-54 -----	101	17	118	85.6
1954-55 -----	120	11	131	91.6
1955-56 -----	139	12	151	92.1
1956-57 -----	157	10	167	94.0
1957-58 -----	179	10	189	94.7
1958-59 -----	229	10	239	95.8
1959-60 -----	258	9	267	96.6
1960-61 -----	307	6	313	98.1
1961-62 -----	346	4	350	98.9
1962-63 -----	340	5	345	98.6
1963-64 -----	356	5	361	98.6
1964-65 -----	373	13	386	96.6
1965-66 -----	401	9	410	97.8
1966-67 ¹ -----	419	7	426	98.4

¹Forecast.
Annual Review and Determination of Guarantees, miscellaneous issues.

TABLE 10.—UNITED KINGDOM: Pork production and imports,
prewar average, annual 1946-47/1966-67

Year	Home fed	Imported	Total	Home fed percent of total
	1,000 long tons	1,000 long tons	1,000 long tons	Percent
Prewag avg. -----	209	60	269	77.7
1946-47 -----	15	29	44	34.1
1947-48 -----	14	12	26	53.8
1948-49 -----	31	20	51	60.8
1949-50 -----	56	39	95	58.9
1950-51 -----	76	15	91	58.9
1951-52 -----	129	14	143	90.2
1952-53 -----	192	32	224	85.7
1953-54 -----	285	37	322	88.5
1954-55 -----	394	39	433	91.0
1955-56 -----	348	24	372	93.5
1956-57 -----	364	26	390	93.3
1957-58 -----	410	21	431	95.1
1958-59 -----	440	14	454	96.9
1959-60 -----	430	16	446	96.4
1960-61 -----	441	23	464	95.0
1961-62 -----	471	20	491	95.9
1962-63 -----	517	13	530	97.5
1963-64 -----	536	12	548	97.8
1964-65 -----	587	13	595	97.8
1965-66 -----	633	19	652	97.1
1966-67 ¹ -----	569	7	576	98.8

¹Forecast.

Annual Review and Determination of Guarantees, miscellaneous issues.

TABLE 11.—UNITED KINGDOM: Bacon and ham production and imports,
prewar average, annual 1946-47/1966-67

Year	Home fed	Imported	Total	Home fed percent of total
	1,000 long tons	1,000 long tons	1,000 long tons	Percent
Prewar avg. -----	157	385	542	29.0
1946-47 -----	87	156	243	35.8
1947-48 -----	56	156	212	26.4
1948-49 -----	112	84	196	57.1
1949-50 -----	179	231	410	43.7
1950-51 -----	180	237	417	43.2
1951-52 -----	231	206	437	52.9
1952-53 -----	264	302	566	46.6
1953-54 -----	227	298	525	43.2
1954-55 -----	258	307	565	45.7
1955-56 -----	220	303	523	42.1
1956-57 -----	204	324	528	38.6
1957-58 -----	214	348	562	38.1
1958-59 -----	228	329	557	40.9
1959-60 -----	191	385	576	33.2
1960-61 -----	193	391	584	33.0
1961-62 -----	208	407	615	33.8
1962-63 -----	224	392	616	36.4
1963-64 -----	216	377	593	36.4
1964-65 -----	225	400	625	35.4
1965-66 -----	225	401	626	35.9
1966-67 ¹ -----	196	393	589	33.3

¹Forecast.

Annual Review and Determination of Guarantees, miscellaneous issues.

TABLE 12.—UNITED KINGDOM: Beef and veal production and imports, prewar average, annual 1946-47/1966-67

Year	Home fed	Imported	Total	Home fed percent of total
	<i>1,000 long tons</i>	<i>1,000 long tons</i>	<i>1,000 long tons</i>	<i>Percent</i>
Prewar avg. -----	578	600	1,178	49.1
1946-47 -----	550	399	949	58.0
1947-48 -----	473	495	968	48.9
1948-49 -----	508	327	835	60.8
1949-50 -----	528	496	1,024	51.6
1950-51 -----	594	202	796	74.6
1951-52 -----	615	218	833	73.8
1952-53 -----	582	198	780	74.6
1953-54 -----	653	336	989	66.0
1954-55 -----	794	316	1,110	71.5
1955-56 -----	690	451	1,141	60.5
1956-57 -----	798	480	1,278	62.4
1957-58 -----	833	423	1,256	66.3
1958-59 -----	717	396	1,113	64.4
1959-60 -----	712	394	1,106	64.4
1960-61 -----	772	401	1,173	65.8
1961-62 -----	865	342	1,207	71.7
1962-63 -----	896	394	1,290	69.5
1963-64 -----	903	329	1,232	73.4
1964-65 -----	793	345	1,138	69.7
1965-66 -----	803	310	1,113	72.1
1966-67 -----	886	310	1,196	74.1

Annual Review and Determination of Guarantees, miscellaneous issues.

TABLE 13.—UNITED KINGDOM: Guaranteed prices on grains, by class,
1954-55/1967-68

Year	Wheat	Barley	Oats	Rye
	<i>S. & d. per U.K. cwt.</i>	<i>S. & d. per U.K. cwt.</i>	<i>S. & d. per U.K. cwt.</i>	<i>S. & d. per U.K. cwt.</i>
1954-55	30.9	25.6	24.0	25.0
1955-56	30.0	24.8	23.3	23.3
1956-57	30.0	26.2	25.0	23.3
1957-58	28.7	29.0	27.5	22.1
1958-59	28.1	29.0	27.5	22.1
1959-60	27.7	29.0	27.5	21.7
1960-61	26.11	28.9	27.2	21.7
1961-62	26.11	27.7	27.5	21.7
1962-63	26.11	27.7	27.5	21.7
1963-64	26.6	26.8	27.5	21.7
1964-65	26.6	26.8	27.5	21.7
1965-66	25.5	25.4	27.5	21.7
1966-67	25.5	25.4	27.5	21.7
1967-68	25.11	24.9	27.5	21.7

Year	Wheat	Barley	Oats	Rye
	<i>U.S. dol. per bu.</i>	<i>U.S. dol. per bu.</i>	<i>U.S. dol. per bu.</i>	<i>U.S. dol. per bu.</i>
1954-55	2.32	1.53	0.96	1.75
1955-56	2.25	1.48	.93	1.63
1956-57	2.25	1.57	1.00	1.63
1957-58	2.14	1.74	1.10	1.55
1958-59	2.11	1.74	1.10	1.55
1959-60	2.08	1.74	1.10	1.51
1960-61	2.02	1.78	1.09	1.51
1961-62	2.02	1.66	1.10	1.51
1962-63	2.02	1.66	1.10	1.51
1963-64	1.99	1.60	1.10	1.51
1964-65	1.99	1.60	1.10	1.51
1965-66	1.91	1.52	1.10	1.51
1966-67	1.91	1.52	1.10	1.51
1967-68	1.94	1.48	1.10	1.51

Annual Review and Determination of Guarantees, miscellaneous issues.

TABLE 14.—UNITED KINGDOM: Estimated cost of Exchequer support to agriculture, commodities, 1955-56/1967-68

Item	1955- 56	1956- 57	1957- 58	1958- 59	1959- 60	1960- 61	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66	1966- 67 ¹	1967- 68 ²
	Mil. U.S. dol.	Mil. U.S. dol.	Mil. U.S. dol.	Mil. U.S. dol.	Mil. U.S. dol.	Mil. U.S. dol.	Mil. U.S. dol.	Mil. U.S. dol.	Mil. U.S. dol.	Mil. U.S. dol.	Mil. U.S. dol.	Mil. U.S. dol.	Mil. U.S. dol.
Implementation of price guarantees:													
Cereals:													
Wheat and Rye	70.6	44.2	62.2	54.0	57.1	50.7	61.6	46.5	84.8	44.5	39.8	38.9	37.8
Barley	30.0	24.6	47.9	65.8	70.6	94.1	93.0	101.6	103.0	105.0	60.5	82.3	110.0
Oats and mixed corn		3.9	33.3	27.4	35.8	32.8	50.7	30.8	28.0	27.7	20.4	19.3	20.4
Total cereals	100.6	72.7	143.4	147.2	163.5	177.6	205.3	178.9	215.8	177.2	120.7	140.5	168.2
Fatstock:													
Cattle	1.1	101.1	95.5	35.0	9.5	34.4	129.9	85.4	114.2	35.6	14.0	59.4	100.2
Sheep	14.6	23.5	32.8	32.8	70.8	38.9	86.0	52.9	37.2	20.2	14.8	27.7	28.8
Pigs	130.8	84.6	103.0	58.5	62.2	56.0	101.4	144.8	74.2	87.9	110.6	20.2	40.0
Total fatstock	146.5	209.2	231.3	126.3	142.5	129.3	317.3	283.1	225.6	143.7	139.4	107.3	169.0
Other:													
Potatoes		1.4	18.8	19.3	2.8	16.0	22.4	1.1	1.1	1.7	19.0	9.8	3.1
Eggs, hens and ducks	44.5	94.4	128.2	94.4	92.7	63.0	45.4	60.2	56.6	93.0	51.0	48.4	50.4
Milk	96.6	59.6	36.1	28.3	23.8	30.2	33.0						
Wool		.6	4.2	17.6	7.8	7.3	8.1	9.0	1.7	6.2	10.7	10.4	9.1
Total other	141.1	156.0	187.3	159.6	127.1	116.5	108.9	70.3	59.4	100.9	80.7	68.6	62.6
Total price guarantees	388.1	437.9	562.0	433.2	433.2	423.4	631.4	532.3	500.9	421.7	340.8	316.4	399.8
Farming grants and subsidies	162.7	198.2	210.8	226.5	266.3	292.6	301.0	306.3	291.5	303.0	290.6	306.0	322.8
Administrative expenses	14.3	13.2	13.2	14.0	16.5	17.1	24.4	25.2	26.3	28.0	27.4	28.6	30.2
Other	11.5	20.4	9.5	2.2	3.4	3.1	2.5	3.1	4.2	2.5	3.7	4.8	4.9
Grand total	576.5	669.8	795.5	675.9	719.3	736.1	959.3	866.9	822.9	755.2	662.5	655.8	757.7

¹Latest forecast. ²Estimates.

Note: Entries may not add to totals because of rounding.

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TABLE 15.—UNITED KINGDOM: Estimated cost of Exchequer support to agriculture in farming grants and subsidies, 1956/57/1967-68

Item	1956- 57	1957- 58	1958- 59	1959- 60	1960- 61	1961- 62	1962- 63	1963- 64	1964- 65	1965- 66 ¹	1966- 67 ¹	1967- 68 ²
	<i>Mil.</i> <i>U.S.</i> <i>dol.</i>	<i>Mil.</i> <i>U.S.</i> <i>dol.</i>	<i>Mil.</i> <i>U.S.</i> <i>dol.</i>	<i>Mil.</i> <i>U.S.</i> <i>dol.</i>	<i>Mil.</i> <i>U.S.</i> <i>dol.</i>	<i>Mil.</i> <i>U.S.</i> <i>dol.</i>	<i>Mil.</i> <i>U.S.</i> <i>dol.</i>	<i>Mil.</i> <i>U.S.</i> <i>dol.</i>	<i>Mil.</i> <i>U.S.</i> <i>dol.</i>	<i>Mil.</i> <i>U.S.</i> <i>dol.</i>	<i>Mil.</i> <i>U.S.</i> <i>dol.</i>	<i>Mil.</i> <i>U.S.</i> <i>dol.</i>
Fertilizers subsidy -----	55.4	63.8	72.2	82.3	90.2	92.4	94.9	94.1	87.6	82.9	84.0	87.1
Lime subsidy -----	26.0	29.1	25.8	30.8	24.4	24.6	28.0	22.4	27.7	22.7	19.0	18.5
Ploughing grants -----	28.0	28.0	25.8	26.3	30.5	32.2	31.6	27.7	22.7	21.3	17.1	10.6
Field drainage -----	7.8	5.6	5.3	7.3	7.6	7.6	8.4	7.3	8.7	8.7	9.0	10.1
Water supply grants -----	2.5	2.5	2.2	2.0	2.2	2.2	2.2	2.0	2.0	1.7	1.4	1.4
Grants for improvement of livestock rearing. -----	4.5	3.9	4.2	4.2	4.2	4.5	4.2	3.9	3.9	3.6	3.1	3.1
Marginal production assistance grants -----	5.9	6.7	6.2	4.8	2.8	2.2	2.0	2.0	---	---	---	---
Bonus payments under the TB Scheme -----	27.4	22.4	23.8	25.2	25.2	20.2	14.6	9.0	4.2	1.7	---	---
Calf Subsidy -----	31.9	36.1	40.0	46.2	49.3	49.8	49.6	54.3	57.1	63.6	70.6	71.4
Hill cattle and hill cow subsidies -----	7.6	8.1	8.7	11.5	12.9	14.0	15.1	12.9	16.0	18.8	21.0	21.8
Hill sheep subsidy -----	3.1	---	---	---	2.0	2.2	3.9	6.7	16.8	12.3	22.7	4.5
Silo subsidies -----	---	3.6	2.8	3.9	2.5	2.2	1.7	.8	.8	.6	.6	.6
Grants for farm improvement -----	---	.6	9.2	18.5	21.8	25.8	28.8	28.6	32.2	32.5	32.2	37.0
Grants to small farmers -----	---	---	---	3.1	16.5	19.9	20.2	15.7	13.4	9.5	6.2	6.2
Other grants -----	.3	.3	.3	.3	.6	1.1	1.1	1.4	8.4	10.7	19.1	50.5
Total -----	198.2	210.8	226.5	266.3	292.6	301.0	306.3	291.5	301.6	290.6	306.0	322.8

¹Latest forecast. ²Estimates.

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TABLE 16.—UNITED KINGDOM: Exchequer cost for implementation of price guarantees, original estimates and outturns.

Item	1955-56			1956-57			1957-58		
	Original estimate	Outturn	Amount outturn above or below estimate	Original estimate	Outturn	Amount outturn above or below estimate	Original estimate	Outturn	Amount outturn above or below estimate
	Mil. U.S. dol.	Mil. U.S. dol.	Mil. U.S. dol.	Mil. U.S. dol.	Mil. U.S. dol.	Mil. U.S. dol.	Mil. U.S. dol.	Mil. U.S. dol.	Mil. U.S. dol.
Wheat rye -----	72.8	70.6	— 2.2	68.3	44.2	— 24.1	35.8	62.2	+ 26.4
Barley -----	29.1	30.0	+ .9	31.4	24.6	— 6.8	29.7	47.9	+ 18.2
Oats & mixed corn -----	35.0	-----	— 35.0	17.4	3.9	— 13.5	10.9	33.3	+ 22.4
Total grain -----	136.9	100.5	— 36.4	117.0	72.8	— 44.2	76.4	143.4	+ 67.0
Cattle -----	5.0	1.1	— 3.9	-----	101.1	+ 101.1	103.9	95.5	— 8.4
Sheep -----	9.8	14.6	+ 4.8	19.0	23.5	+ 4.5	24.4	32.8	+ 8.4
Pigs -----	214.2	130.8	— 83.4	119.8	84.6	— 35.2	102.5	103.0	+ .5
Total fatstock -----	229.0	146.4	— 82.6	138.9	209.2	+ 70.3	230.7	231.3	+ .6
Eggs -----	81.8	44.5	— 37.3	59.4	94.4	+ 35.0	91.6	128.2	+ 36.6
Milk -----	80.9	96.6	+ 15.7	108.6	59.6	— 49.0	23.2	36.1	+ 12.9
Potatoes -----	7.8	-----	— 7.8	5.3	1.4	— 3.9	23.2	18.8	— 4.4
Wool -----	2.8	-----	— 2.8	4.2	.6	— 3.6	2.8	4.2	+ 1.4
Grand total -----	539.3	388.1	— 151.2	433.4	437.9	+ 4.5	448.0	562.0	+ 114.0
Excesses -----	-----	-----	+ 21.4	-----	-----	+ 140.6	-----	-----	+ 126.8
Savings -----	-----	-----	— 172.4	-----	-----	— 136.1	-----	-----	— 12.8
	1958-59			1959-60			1960-61		
Wheat rye -----	49.3	54.0	+ 4.7	49.0	57.1	+ 8.1	48.4	50.7	+ 2.3
Barley -----	45.1	65.8	+ 20.7	55.2	70.6	+ 15.4	65.2	94.1	+ 28.9
Oats & mixed corn -----	28.0	27.4	— .6	34.7	35.8	+ 1.1	34.4	32.8	— 1.6
Total grain -----	122.4	147.3	+ 24.9	138.9	163.5	+ 24.6	148.1	177.5	+ 29.4

Cattle	104.2	35.0	—	69.2	49.0	9.5	—	39.5	17.9	34.4	—	16.5
Sheep	33.3	32.8	—	.5	41.4	70.8	—	29.4	66.4	38.9	—	27.5
Pigs	157.4	58.5	—	98.9	65.0	62.2	—	2.8	44.8	56.0	—	11.2
Total fatstock	294.8	126.3	—	168.5	155.4	142.5	—	12.9	129.1	129.4	—	.3
Eggs	121.8	94.4	—	27.4	90.4	92.7	—	2.3	114.5	63.0	—	51.5
Milk	26.0	28.3	—	2.3	29.4	23.8	—	5.6	21.6	30.0	—	8.4
Potatoes	20.2	19.3	—	.9	1.1	2.8	—	1.7	1.1	16.0	—	14.9
Wool	7.0	17.6	—	10.6	13.2	7.8	—	5.4	7.0	7.3	—	.3
Grand total	592.2	433.2	—	159.0	428.4	433.2	—	4.8	421.4	423.4	—	2.0
Excesses	—	—	—	38.3	—	—	—	—	—	—	—	82.5
Savings	—	—	—	197.5	—	—	—	—	—	—	—	80.6
1961-62												
1962-63												
1963-64												
Wheat rye	46.8	61.6	—	14.8	45.6	46.5	—	9	95.2	84.8	—	10.4
Barley	105.8	93.0	—	12.8	97.4	101.6	—	4.2	107.5	103.0	—	4.5
Oats & mixed corn	31.4	50.7	—	19.3	38.1	30.8	—	7.3	30.5	28.0	—	2.5
Total grain	184.0	205.2	—	21.2	181.2	178.9	—	2.3	233.2	215.9	—	17.3
Cattle	43.4	129.9	—	86.5	126.0	85.4	—	40.6	103.3	114.2	—	10.9
Sheep	53.5	86.0	—	32.5	77.6	52.9	—	24.7	66.6	37.2	—	29.4
Pigs	62.4	101.4	—	39.0	133.3	144.8	—	11.5	181.9	74.2	—	107.7
Total fatstock	159.3	317.2	—	158.0	336.8	283.1	—	53.7	351.7	225.7	—	126.0
Eggs	26.6	45.4	—	18.8	82.6	60.2	—	22.4	82.6	56.6	—	26.0
Milk	26.9	33.0	—	6.1	22.4	—	—	22.4	—	—	—	—
Potatoes	11.2	22.4	—	11.2	2.8	1.1	—	1.7	5.6	1.1	—	4.5
Wool	7.3	8.1	—	.8	6.4	9.0	—	2.6	8.4	1.7	—	6.7
Grand total	415.2	631.4	—	216.2	632.2	532.3	—	99.9	681.5	500.9	—	180.6
Excesses	—	—	—	229.0	—	—	—	—	—	—	—	10.9
Savings	—	—	—	12.8	—	—	—	119.1	—	—	—	191.7

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TABLE 17.—UNITED KINGDOM: Supply and distribution of all grains

Year	Supply		Distribution				Production as percent of con- sumption
	Production Imports	Total	Domestic disappearance		Exports	Total distr.	
			Feed	Food			
	Mil. long tons	Mil. long tons	Mil. long tons	Mil. long tons	Mil. long tons	Mil. long tons	Percent
1933-34	4.6	9.3	---	---	---	---	33.1
34-35	4.8	8.6	---	---	---	---	35.8
35-36	4.6	9.6	---	---	---	---	32.2
36-37	4.3	9.7	---	---	---	---	30.7
37-38	4.1	9.2	---	---	---	---	30.8
38-39	4.9	9.6	---	---	---	---	33.6
39-40	4.6	8.3	---	---	---	---	35.7
1940-41	5.9	6.9	---	---	---	---	46.1
41-42	6.9	4.8	---	---	---	---	59.0
42-43	8.1	3.2	---	---	---	---	71.7
43-44	8.6	2.9	---	---	---	---	74.1
44-45	8.3	3.5	---	---	---	---	70.3
45-46	8.0	4.1	---	---	---	---	66.7
46-47	7.2	4.5	---	---	---	---	61.5
47-48	6.2	5.6	---	---	---	---	52.5
48-49	7.9	6.7	---	---	---	---	54.1
49-50	8.0	5.7	---	---	---	---	58.4
1950-51	7.8	6.1	---	---	---	---	56.1
51-52	7.7	7.6	---	---	---	---	50.0
52-53	8.3	6.8	---	---	---	---	55.0
53-54	8.9	6.7	---	---	---	---	57.1
54-55	8.1	(¹)	---	---	---	---	---
55-56	8.8	8.0	8.4	7.2	0.7	16.3	54.0
56-57	8.6	7.8	8.8	7.2	.7	16.7	52.4
57-58	8.1	8.7	8.7	7.2	.7	16.6	48.8
58-59	8.3	10.1	9.9	7.2	.8	17.9	46.4
59-60	9.3	9.0	10.0	7.1	.7	17.8	52.2
1960-61	9.5	9.1	10.3	7.4	.9	18.6	51.1
61-62	9.6	9.7	10.4	7.3	.9	18.6	51.6
62-63	11.6	8.8	11.9	7.3	.9	20.1	57.7
63-64	11.2	8.7	11.4	7.3	1.1	19.8	56.6
64-65	12.6	7.9	11.9	7.3	8.7	20.6	61.2
65-66	13.5	8.8	12.5	8.8	8.8	21.3	63.4
1966-67	13.5	8.5	12.6	---	---	1.1	---

¹ MAFF, as of November 1966, estimated that total 1966-67 consumption, including exports, would total 22.3 million tons. MAFF; Commercial Economic Committee (CEC), *Grain Crops; Annual Review and Determination of Guarantees, miscellaneous issues*.

TABLE 18.—UNITED KINGDOM: Imports of all grains by country of origin, 1921-63

Year	United States	Canada	Argentina	Australia	France	USSR	Other
	<i>Per-cent</i>	<i>Per-cent</i>	<i>Per-cent</i>	<i>Per-cent</i>	<i>Per-cent</i>	<i>Per-cent</i>	<i>Per-cent</i>
1921-----	38.5	21.7	14.3	13.7	----	----	11.8
1922-----	38.4	24.9	19.5	10.9	0.2	----	6.1
1923-----	28.1	24.0	24.8	4.4	.1	----	18.6
1924-----	22.1	25.8	27.2	6.7	.1	1.9	16.2
1925-----	23.6	26.0	18.9	11.9	.1	3.3	16.2
1926-----	25.2	28.8	25.1	6.8	.1	3.8	10.2
1927-----	24.2	21.8	30.9	9.3	----	1.9	11.9
1928-----	19.8	30.5	30.6	7.0	.1	----	12.0
1929-----	18.9	19.6	40.5	8.3	.5	----	12.2
1930-----	16.2	18.3	22.5	8.4	3.2	15.3	16.1
1931-----	8.2	16.4	34.9	12.8	.7	17.9	9.1
1932-----	3.8	30.7	37.7	15.2	.3	4.1	8.2
1933-----	1.7	27.0	35.3	16.9	1.1	5.4	12.6
1934-----	1.4	22.9	47.4	12.7	1.9	2.4	11.3
1935-----	1.6	24.1	40.2	10.8	4.7	6.9	11.7
1936-----	1.6	32.7	33.3	13.3	2.7	.8	15.6
1937-----	3.2	22.1	40.1	13.8	.5	4.8	15.5
1938-----	22.1	23.3	12.7	19.2	.8	7.1	14.8
1939-----	13.3	26.4	28.2	9.2	5.8	.9	16.2
1940-----	9.9	37.7	27.9	11.6	1.8	----	11.1
1941-----	5.4	74.3	12.0	5.7	----	----	2.6
1942-----	2.5	81.1	7.6	8.1	----	----	.7
1943-----	2.4	92.9	1.9	2.8	----	----	----
1944-----	5.0	79.6	14.6	.8	----	----	----
1945-----	7.6	77.9	14.4	.1	----	----	----
1946-----	10.0	81.2	7.9	.1	----	----	.8
1947-----	10.8	72.5	13.3	2.4	----	----	1.0
1948-----	.1	54.2	19.9	16.2	.2	8.7	.7
1949-----	6.8	61.6	6.1	16.5	.2	3.0	5.8
1950-----	13.0	51.8	5.4	8.1	.9	11.9	8.9
1951-----	23.1	41.2	1.2	15.2	.4	8.2	10.7
1952-----	17.3	46.0	2.0	11.2	.6	12.7	10.2
1953-----	15.8	51.3	11.0	11.5	.3	4.2	5.9
1954-----	18.4	47.5	12.9	7.7	5.4	1.5	6.6
1955-----	24.6	44.4	6.0	8.9	8.4	.6	7.1
1956-----	28.8	45.6	5.7	10.3	2.8	.2	6.6
1957-----	30.6	38.3	6.3	10.4	7.9	.2	6.3
1958-----	28.2	41.1	6.7	3.8	5.9	1.0	13.3
1959-----	34.1	37.8	7.6	8.4	.9	1.4	9.8
1960-----	33.4	35.5	6.8	9.1	2.8	2.5	9.9
1961-----	28.3	29.4	4.1	11.4	5.0	3.5	18.3
1962-----	37.0	27.1	6.8	8.5	2.2	3.2	15.2
1963-----	26.9	33.6	3.6	8.0	3.8	3.5	20.6

Computed from data in CEC *Grain Crops*.

TABLE 19.—UNITED KINGDOM: Wheat imports by country of origin,
1921-63

Year	United States	Canada	Argen- tina	Aus- tralia	France	USSR	Other
	<i>Per- cent</i>	<i>Per- cent</i>	<i>Per- cent</i>	<i>Per- cent</i>	<i>Per- cent</i>	<i>Per- cent</i>	<i>Per- cent</i>
1921-----	44.8	18.1	5.2	25.0	----	----	6.9
1922-----	38.7	23.8	19.5	17.0	----	----	1.0
1923-----	31.3	28.3	20.9	4.6	----	0.2	14.7
1924-----	25.8	33.0	20.5	9.3	0.2	.6	10.6
1925-----	27.4	30.6	12.3	16.8	.1	1.3	11.5
1926-----	32.4	37.1	12.4	9.5	0	2.3	6.3
1927-----	32.3	29.1	17.6	13.4	----	2.2	5.4
1928-----	22.8	39.6	23.6	9.9	0	.1	4.0
1929-----	19.9	24.3	40.6	11.5	0	----	3.7
1930-----	20.1	25.0	14.5	12.1	3.9	17.9	6.5
1931-----	9.4	22.7	17.4	19.5	0	24.2	6.8
1932-----	4.4	44.4	19.6	22.8	0	3.1	5.7
1933-----	----	40.6	22.0	26.1	.3	5.1	5.9
1934-----	.1	34.8	34.2	21.1	1.8	2.0	6.0
1935-----	.6	36.5	22.5	17.5	7.7	6.8	8.4
1936-----	0	57.4	1.0	23.1	4.6	.2	13.7
1937-----	3.6	35.4	16.0	23.1	.4	8.4	13.1
1938-----	15.5	28.4	5.7	30.5	1.2	9.4	9.3
1939-----	12.8	33.1	23.5	12.7	8.9	----	9.0
1940-----	4.0	48.4	26.5	15.1	2.9	----	3.1
1941-----	.6	81.0	12.1	6.2	----	----	.1
1942-----	.6	81.6	8.9	9.5	----	----	----
1943-----	----	94.8	2.3	2.9	----	----	----
1944-----	.4	87.9	11.7	----	----	----	----
1945-----	----	91.9	8.1	----	----	----	----
1946-----	11.2	85.5	3.3	----	----	----	----
1947-----	8.3	82.0	9.2	----	----	----	.5
1948-----	.2	78.6	2.5	18.2	.4	----	.1
1949-----	5.8	76.5	----	17.0	.4	----	.3
1950-----	13.7	75.3	----	9.2	1.5	----	.3
1951-----	26.2	55.5	2.1	14.0	.8	----	1.4
1952-----	11.6	70.9	----	11.5	.5	5.0	.5
1953-----	11.1	69.4	4.6	11.6	.4	0	2.9
1954-----	10.8	56.6	9.5	8.9	9.6	1.7	2.9
1955-----	10.5	50.2	8.5	11.0	14.3	.8	4.7
1956-----	19.6	55.1	6.6	12.6	3.8	.1	2.2
1957-----	18.5	47.0	10.0	14.1	7.2	.3	2.9
1958-----	15.3	53.1	8.3	5.7	11.5	2.0	4.1
1959-----	11.1	53.6	9.5	11.5	1.2	3.2	9.9
1960-----	13.7	51.9	7.2	16.6	2.3	4.7	3.6
1961-----	10.1	53.3	4.4	15.9	2.4	8.0	5.9
1962-----	8.8	49.7	11.2	14.0	4.1	8.7	3.5
1963-----	6.1	52.8	4.7	14.1	6.5	7.5	8.3

Computed from data in CEC *Grain Crops*.

TABLE 20.—UNITED KINGDOM: Wheat flour imports, by country of origin, 1921–63

Year	United States	Canada	Argentina	Australia	France	USSR	Other
	<i>Per-cent</i>	<i>Per-cent</i>	<i>Per-cent</i>	<i>Per-cent</i>	<i>Per-cent</i>	<i>Per-cent</i>	<i>Per-cent</i>
1921-----	49.9	37.1	0.7	8.7	0.1	-----	3.5
1922-----	33.9	49.0	2.3	13.3	1.5	-----	-----
1923-----	32.8	47.6	2.2	15.3	.9	-----	1.2
1924-----	32.6	47.5	2.8	14.7	.5	-----	1.9
1925-----	30.3	46.4	4.5	16.3	.6	-----	1.9
1926-----	25.7	50.5	7.5	12.0	1.4	-----	2.9
1927-----	26.6	46.8	7.4	16.3	.5	-----	2.4
1928-----	21.5	54.7	9.1	10.9	1.0	-----	2.8
1929-----	26.2	38.3	7.8	13.8	6.0	-----	7.9
1930-----	27.1	38.3	5.0	14.5	10.0	-----	5.1
1931-----	19.3	36.4	6.8	23.8	9.5	-----	4.2
1932-----	5.5	46.5	5.6	33.4	5.1	-----	3.9
1933-----	1.2	43.7	3.7	27.9	14.2	-----	9.3
1934-----	1.2	44.8	2.5	20.3	13.7	-----	17.5
1935-----	.9	53.1	2.6	22.6	11.1	-----	9.7
1936-----	.9	49.0	3.3	29.3	8.7	-----	8.8
1937-----	1.4	48.8	4.9	38.9	4.8	-----	1.2
1938-----	5.3	47.6	4.9	38.2	2.3	-----	1.7
1939-----	2.0	61.1	4.5	21.1	9.5	-----	1.8
1940-----	1.4	71.4	2.0	25.2	-----	-----	-----
1941-----	-----	93.6	-----	6.7	-----	-----	-----
1942-----	-----	99.0	-----	1.0	-----	-----	-----
1943-----	4.6	92.7	-----	2.6	-----	-----	.1
1944-----	15.4	66.6	14.8	3.1	-----	-----	.1
1945-----	24.9	72.5	1.9	.7	-----	-----	-----
1946-----	9.1	88.2	2.0	.5	-----	-----	.2
1947-----	14.8	73.9	-----	11.3	-----	-----	-----
1948-----	-----	78.5	-----	21.5	-----	-----	-----
1949-----	11.3	67.5	-----	21.2	-----	-----	-----
1950-----	8.6	82.3	-----	9.1	-----	-----	-----
1951-----	-----	81.9	.1	17.7	-----	-----	.3
1952-----	-----	80.4	-----	18.2	.4	-----	1.0
1953-----	-----	73.4	.2	25.0	.6	-----	.8
1954-----	.8	89.7	.2	6.6	2.0	-----	.7
1955-----	5.5	66.0	-----	24.9	3.0	-----	.6
1956-----	8.2	64.9	-----	22.7	3.0	-----	1.2
1957-----	11.6	68.7	.2	17.4	1.1	-----	1.0
1958-----	13.5	71.7	-----	8.6	3.7	-----	2.5
1959-----	8.6	72.2	.2	10.7	2.1	-----	6.2
1960-----	5.1	72.8	.2	11.6	4.5	-----	5.8
1961-----	14.4	62.3	.2	13.7	1.9	-----	7.5
1962-----	11.9	62.7	.2	14.9	3.4	-----	6.9
1963-----	2.5	72.3	-----	14.1	3.2	-----	7.9

Computed from data in CEC *Grain Crops*.

TABLE 21.—UNITED KINGDOM: Coarse-grains imports by country of origin, 1921-63

Year	United States	Canada	Argentina	Australia	France	USSR	Other
	<i>Per-cent</i>	<i>Per-cent</i>	<i>Per-cent</i>	<i>Per-cent</i>	<i>Per-cent</i>	<i>Per-cent</i>	<i>Per-cent</i>
1921-----	26.3	20.8	30.9	0.8	-----	-----	21.2
1922-----	39.9	19.7	25.2	.6	0.1	-----	14.5
1923-----	21.8	11.2	36.7	1.3	0	0.1	28.9
1924-----	13.6	9.1	43.7	.8	-----	4.5	28.3
1925-----	15.1	12.4	34.6	1.8	-----	7.7	28.4
1926-----	11.4	7.0	54.1	.2	-----	7.6	19.7
1927-----	9.8	3.3	59.0	.6	-----	1.9	25.4
1928-----	13.5	7.6	49.1	.4	-----	-----	29.4
1929-----	15.2	5.3	48.2	.4	-----	0	30.9
1930-----	6.2	1.1	41.5	.1	-----	14.8	36.3
1931-----	4.3	3.1	67.1	.4	-----	11.6	13.5
1932-----	2.7	7.2	70.5	.5	-----	6.4	12.7
1933-----	4.3	3.0	61.7	.8	-----	6.8	23.4
1934-----	3.0	4.2	71.5	.7	-----	3.3	17.3
1935-----	3.0	4.6	67.7	.8	-----	7.9	16.0
1936-----	3.3	4.2	71.7	.8	-----	1.6	18.4
1937-----	3.1	4.5	70.1	.7	-----	1.7	20.0
1938-----	32.7	13.4	22.8	2.2	-----	5.1	23.8
1939-----	16.1	9.1	40.3	1.4	-----	2.5	30.6
1940-----	25.3	4.3	38.6	.2	-----	-----	31.6
1941-----	48.4	-----	26.6	-----	-----	-----	25.0
1942-----	78.6	-----	-----	-----	-----	-----	21.4
1943-----	90.8	-----	9.2	-----	-----	-----	-----
1944-----	17.9	-----	82.1	-----	-----	-----	-----
1945-----	27.1	14.1	58.8	-----	-----	-----	-----
1946-----	-----	23.0	67.3	.2	-----	-----	9.5
1947-----	18.9	13.2	60.8	1.5	-----	-----	5.6
1948-----	-----	-----	59.7	10.3	-----	27.9	2.1
1949-----	7.6	-----	34.0	11.2	-----	16.6	30.6
1950-----	13.0	-----	16.7	5.8	-----	36.9	27.6
1951-----	24.7	5.5	.2	16.5	-----	24.2	28.9
1952-----	30.0	1.7	5.3	9.0	.7	27.0	26.3
1953-----	25.6	22.0	22.1	8.4	-----	10.9	11.0
1954-----	32.9	25.6	20.5	6.2	-----	1.5	13.3
1955-----	50.2	31.7	2.9	2.7	-----	.4	12.1
1956-----	48.4	25.3	5.2	4.1	.9	.4	15.7
1957-----	54.2	18.7	1.1	3.0	10.2	.2	12.6
1958-----	43.6	24.6	5.8	1.2	.3	-----	24.5
1959-----	58.1	19.5	6.7	5.3	.5	-----	9.9
1960-----	55.2	15.8	7.2	1.8	.3	.1	19.6
1961-----	46.0	4.6	4.3	7.3	.8	-----	37.0
1962-----	59.2	8.0	4.4	4.1	.7	-----	23.6
1963-----	49.4	11.0	3.0	1.6	1.3	-----	33.7

Computed from data in CEC *Grain Crops*.

TABLE 22.—UNITED KINGDOM: Grain imports from all sources, 1921-1963

Year	Wheat		Wheat flour		Corn	Barley	Oats	Rye	Sorghum	Total	Wheat, wh. flour		Coarse grains
	1,000 long tons	1,000 long tons	1,000 long tons	1,000 long tons							1,000 long tons	1,000 long tons	
1921	4,023	1,090	1,838	789	419	43	(¹)	8,202	5,113	3,089			
1922	4,817	928	1,859	636	467	27	(¹)	8,731	5,745	2,986			
1923	5,023	806	1,724	906	488	38	(¹)	8,985	5,829	3,156			
1924	5,870	760	1,883	1,083	516	35	(¹)	10,147	6,630	3,517			
1925	4,842	627	1,379	789	419	27	(¹)	8,083	5,469	2,614			
1926	4,812	734	1,589	578	382	15	(¹)	8,110	5,546	2,564			
1927	5,521	755	2,097	820	295	16	(¹)	9,504	6,276	3,228			
1928	5,178	614	1,651	648	372	8	11	8,482	5,792	2,690			
1929	5,588	668	1,745	599	346	6	16	8,968	6,256	2,712			
1930	5,239	807	1,708	760	482	4	6	9,006	6,046	2,960			
1931	5,972	740	2,663	772	437	5	9	10,598	6,712	3,886			
1932	5,282	587	2,638	509	323	2	6	9,347	5,869	3,478			
1933	5,619	678	2,565	799	280	6	8	9,954	6,297	3,657			
1934	5,131	650	3,067	773	160	4	6	9,791	5,781	4,010			
1935	5,061	548	2,973	855	177	6	5	9,625	5,609	4,016			
1936	5,038	576	3,665	915	108	6	11	10,319	5,614	4,705			
1937	4,843	588	3,584	909	60	6	7	9,997	5,431	4,566			
1938	5,081	529	2,879	994	79	6	(¹)	9,568	5,610	3,958			
1939	5,304	506	2,320	687	73	2	(¹)	8,892	5,810	3,088			
1940	5,754	795	2,080	457	82	45	(¹)	9,213	6,549	2,664			
1941	5,393	974	673	63	---	---	(¹)	7,103	6,367	736			
1942	3,487	515	131	---	---	---	(¹)	4,133	4,002	131			
1943	3,256	988	65	---	---	---	(¹)	4,309	4,244	65			
1944	2,884	1,090	117	---	---	---	(¹)	4,031	3,914	117			
1945	3,552	748	511	102	104	1	(¹)	5,018	4,300	718			
1946	3,372	737	119	110	105	2	(¹)	4,445	4,109	336			
1947	4,193	1,232	478	113	106	7	(¹)	6,129	5,425	704			
1948	4,231	1,116	1,330	781	294	---	(¹)	7,762	5,347	2,405			
1949	4,784	811	701	461	65	2	(¹)	6,824	5,595	1,228			
1950	3,206	594	976	764	90	---	(¹)	5,690	3,860	1,930			

See footnote on following page.

TABLE 22.—UNITED KINGDOM: Grain imports from all sources, 1921–1963—Continued

Year	Wheat		Wheat flour		Corn	Barley	Oats	Rye		Sorghum		Total	Wheat & wh. flour		Coarse grains	
	1,000 long tons		1,000 long tons					1,000 long tons		1,000 long tons			1,000 long tons		1,000 long tons	
1951	4,253	---	708		1,023	1,214	106	2	15	7,181	4,761	2,420				
1952	3,904	---	699		1,372	1,132	135	2	90	7,334	4,603	2,731				
1953	4,020	---	661		1,379	1,435	109	2	44	7,650	4,681	2,769				
1954	3,463	---	497		1,305	931	23	1	156	6,370	3,960	2,410				
1955	4,491	---	474		1,498	968	52	3	341	7,790	4,965	2,825				
1956	4,781	---	497		1,537	811	23	7	370	8,026	5,728	2,748				
1957	4,530	---	466		1,624	1,008	50	6	28	7,712	4,996	2,716				
1958	4,517	---	513		2,302	1,325	168	4	467	9,296	5,030	4,266				
1959	4,275	---	52		2,928	996	118	8	605	9,452	4,797	4,655				
1960	4,104	---	507		3,084	704	27	11	533	8,970	4,611	4,359				
1961	3,921	---	533		3,156	974	38	7	292	8,921	4,454	4,467				
1962	3,927	---	531		4,566	360	63	5	618	10,070	4,458	5,612				
1963	3,940	---	440		3,435	349	34	6	295	8,499	4,380	4,119				

¹Not available.

TABLE 23.—UNITED KINGDOM: Grain imports from United States, 1921-1963

Year	Wheat		Corn	Barley	Oats	Rye	Sorghum	Total	Wheat & wh. flour	Coarse grains
	1,000 long tons	1,000 long tons	1,000 long tons	1,000 long tons	1,000 long tons	1,000 long tons	1,000 long tons	1,000 long tons	1,000 long tons	1,000 long tons
1921	---	---	---	---	---	---	---	---	---	---
1922	---	---	---	---	---	---	---	---	---	---
1923	---	---	---	---	---	---	---	---	---	---
1924	---	---	---	---	---	---	---	---	---	---
1925	---	---	---	---	---	---	---	---	---	---
1926	---	---	---	---	---	---	---	---	---	---
1927	---	---	---	---	---	---	---	---	---	---
1928	---	---	---	---	---	---	---	---	---	---
1929	---	---	---	---	---	---	---	---	---	---
1930	---	---	---	---	---	---	---	---	---	---
1931	---	---	---	---	---	---	---	---	---	---
1932	---	---	---	---	---	---	---	---	---	---
1933	---	---	---	---	---	---	---	---	---	---
1934	---	---	---	---	---	---	---	---	---	---
1935	---	---	---	---	---	---	---	---	---	---
1936	---	---	---	---	---	---	---	---	---	---
1937	---	---	---	---	---	---	---	---	---	---
1938	---	---	---	---	---	---	---	---	---	---
1939	---	---	---	---	---	---	---	---	---	---
1940	---	---	---	---	---	---	---	---	---	---
1941	---	---	---	---	---	---	---	---	---	---
1942	---	---	---	---	---	---	---	---	---	---
1943	---	---	---	---	---	---	---	---	---	---
1944	---	---	---	---	---	---	---	---	---	---
1945	---	---	---	---	---	---	---	---	---	---
1946	---	---	---	---	---	---	---	---	---	---
1947	---	---	---	---	---	---	---	---	---	---
1948	---	---	---	---	---	---	---	---	---	---
1949	---	---	---	---	---	---	---	---	---	---

Table continued on following page.

TABLE 24.—CONVERSION TABLE: £. s.d. per cwt. and long ton;
U.S. dollars per long ton and metric ton, U.S. dollars per bushel¹

S. & d. per cwt.	£.s.d. per long ton	Dol. per long ton	Dol. per metric ton	Dol. per bushel			
				Wheat (60 lb.)	Rye, corn, sorghum (56 lb.)	Barley (48 lb.)	Oats (32 lb.)
0.1	0.1.8	0.233	0.230	0.006	0.006	0.005	0.003
0.2	0.3.4	.467	.459	.012	.012	.010	.007
0.3	0.5.0	.700	.689	.019	.017	.015	.010
0.4	0.6.8	.933	.919	.025	.023	.020	.013
0.5	0.8.4	1.167	1.148	.031	.029	.025	.017
0.6	0.10.0	1.400	1.378	.037	.035	.030	.020
0.7	0.11.8	1.633	1.608	.044	.041	.035	.023
0.8	0.13.4	1.867	1.837	.050	.047	.040	.027
0.9	0.15.0	2.100	2.087	.056	.052	.045	.030
0.10	0.16.8	2.333	2.296	.062	.058	.050	.033
0.11	0.18.4	2.567	2.526	.069	.064	.055	.037
1.0	1.0.0	2.800	2.756	.075	.070	.060	.040
2.0	2.0.0	5.600	5.512	.150	.140	.120	.080
3.0	3.0.0	8.400	8.267	.225	.210	.180	.120
4.0	4.0.0	11.200	11.023	.300	.280	.240	.160
5.0	5.0.0	14.000	13.779	.375	.350	.300	.200
6.0	6.0.0	16.800	16.535	.450	.420	.360	.240
7.0	7.0.0	19.600	19.290	.525	.490	.420	.280
8.0	8.0.0	22.400	22.046	.600	.560	.480	.320
9.0	9.0.0	25.200	24.802	.675	.630	.540	.360
10.0	10.0.0	28.000	27.558	.750	.700	.600	.400
11.0	11.0.0	30.800	30.314	.825	.770	.660	.440
12.0	12.0.0	33.600	33.069	.900	.840	.720	.480
13.0	13.0.0	36.400	35.825	.975	.910	.780	.520
14.0	14.0.0	39.200	38.581	1.050	.980	.840	.560
15.0	15.0.0	42.000	41.337	1.125	1.050	.900	.600
16.0	16.0.0	44.800	44.092	1.200	1.120	.960	.640
17.0	17.0.0	47.600	46.848	1.275	1.190	1.020	.680
18.0	18.0.0	50.400	49.604	1.350	1.260	1.080	.720
19.0	19.0.0	53.200	52.360	1.425	1.330	1.140	.760
20.0	20.0.0	56.000	55.116	1.500	1.400	1.200	.800
21.0	21.0.0	58.800	57.871	1.575	1.470	1.260	.840
22.0	22.0.0	61.600	60.627	1.650	1.540	1.320	.880
23.0	23.0.0	64.400	63.383	1.725	1.610	1.380	.920
24.0	24.0.0	67.200	66.139	1.800	1.680	1.440	.960
25.0	25.0.0	70.000	68.894	1.875	1.750	1.500	1.000
26.0	26.0.0	72.800	71.650	1.950	1.820	1.560	1.040
27.0	27.0.0	75.600	74.406	2.025	1.890	1.620	1.080
28.0	28.0.0	78.400	77.162	2.100	1.960	1.680	1.120
29.0	29.0.0	81.200	79.918	2.175	2.030	1.740	1.160
30.0	30.0.0	84.000	82.673	2.250	2.100	1.800	1.200
31.0	31.0.0	86.800	85.429	2.325	2.170	1.860	1.240
32.0	32.0.0	89.600	88.185	2.400	2.240	1.920	1.280
33.0	33.0.0	92.400	90.941	2.475	2.310	1.980	1.320
34.0	34.0.0	95.200	93.696	2.550	2.380	2.040	1.360
35.0	35.0.0	98.000	96.452	2.625	2.450	2.100	1.400
36.0	36.0.0	100.800	99.208	2.700	2.520	2.160	1.440
37.0	37.0.0	103.600	101.964	2.775	2.590	2.220	1.480
38.0	38.0.0	106.400	104.720	2.850	2.660	2.280	1.520
39.0	39.0.0	109.200	107.475	2.925	2.730	2.340	1.560
40.0	40.0.0	112.000	110.231	3.000	2.800	2.400	1.600
41.0	41.0.0	114.800	112.987	3.075	2.870	2.460	1.640
42.0	42.0.0	117.600	115.743	3.150	2.940	2.520	1.680
43.0	43.0.0	120.400	118.498	3.225	3.010	2.580	1.720
44.0	44.0.0	123.200	121.254	3.300	3.080	2.640	1.760
45.0	45.0.0	126.000	124.010	3.375	3.150	2.700	1.800

¹ Prices in U.S. dollars are calculated on the basis of £1=\$2.80. Since preparation of this study, the United Kingdom has devalued the pound to an exchange rate of £1=\$2.40. Thus, the dollar values expressed in this study are about 14 percent higher than if based on the new exchange rate.

